Schedule of Contributions
Universities Superannuation Scheme

Status of this document

This schedule has been prepared by the Trustee of the Universities Superannuation Scheme (“the Trustee”) to satisfy the requirements of section 227 of the Pensions Act 2004, after obtaining the advice of Aaron Punwani, the actuary to the Scheme appointed by the Trustee.

This document is the first schedule of contributions in respect of the valuation with an effective date of 31 March 2020 put in place for the Scheme. It supersedes all earlier versions from previous valuations.

After discussions, a pattern of contributions was determined by the Trustee after consultation with 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”) for the purposes of the consultation required by the Trustee with Employers under Section 229 of the Pensions Act 2004 on [date].

The Trustee has signed this schedule to indicate that it represents an accurate record of the pattern of contributions.

The schedule is effective from the date it is certified by the Scheme Actuary.

Contributions to be paid to the Scheme from [date], subject to review following the next actuarial valuation

1. Members’ contributions

Active members shall pay contributions monthly on the following basis:

(A) For the period to 30 September 2021:

9.6% of Salary (of which contributions relating to 8% of Salary over the equivalent monthly Salary Threshold will be paid in to the DC Section, with the remainder paid in to the DB Section)

(B) For the period from 1 October 2021 to 31 March 2022

9.8% of Salary (of which contributions relating to 8% of Salary over the equivalent monthly Salary Threshold will be paid in to the DC Section, with the remainder paid in to the DB Section)

(C) For the period from 1 April 2022 onwards

i. Should a deed be entered into effecting the benefit changes recommended by a resolution of the JNC dated 31 August 2021 in response to the rule 76.1 report with an effective date of 31 March 2020 (or effecting benefit changes which are different in form to those set out in such resolution but which the Actuary certifies require no greater overall level of contributions than the overall level of contributions that would be required were the benefit changes recommended by that JNC resolution to be implemented) (the “**Benefit Change Deed**”) on or before 28 February 2022, then the following shall be paid for the period from 1 April 2022 to 31 March 2038, subject to review following the next actuarial valuation:

9.8% of Salary (of which contributions relating to 8% of Salary over the equivalent monthly Salary Threshold will be paid in to the DC Section, with the remainder paid in to the DB Section)

This figure is subject to the outcome of the Employers' consultation with Members required under the Occupational and Personal Pension Schemes (Consultation with Employers and Miscellaneous Amendment) Regulations 2006 (the "**Member Consultation**"), with any change in this rate arising from that consultation being allocated as an equivalent increase or decrease (as appropriate) to the Employer contribution rate set out at 2(C)(i) below.

ii. Alternatively, should no Benefit Change Deed be entered into on or before 28 February 2022 then the following shall be paid for the period from 1 April 2022 to 31 July 2032, subject to review following the next actuarial valuation:

From 1 April 2022 to 30 September 2022:	11.0% of Salary
From 1 October 2022 to 31 March 2023:	12.9% of Salary
From 1 April 2023 to 30 September 2023:	13.9% of Salary
From 1 October 2023 to 31 March 2024:	15.0% of Salary
From 1 April 2024 to 30 September 2024:	16.0% of Salary
From 1 October 2024 to 31 March 2024:	17.1% of Salary
From 1 April 2025 to 30 September 2025:	18.1% of Salary
From 1 October 2025 onwards:	18.8% of Salary

In all cases contributions relating to 8% of Salary over the equivalent monthly Salary Threshold will be paid in to the DC Section, with the remainder paid in to the DB Section.

These figures are subject to the outcome of the Member Consultation, with any change in this rate arising from that consultation being allocated as an equivalent increase or decrease (as appropriate) to the Employer contribution rate set out at 2(C)(ii) below.

Members can also elect to pay further contributions into the DC Section.

These contributions will be deducted from salary by the Employers and paid towards the Scheme by the 19th of the following month or by the 22nd of the following month if paid electronically.

Where an active member participates in the salary sacrifice arrangement as permitted under Rule 41, the active member shall not be required to contribute. The Employer will instead pay additional employer contributions to the Scheme equivalent to those which the member would have been obliged to pay but for the salary sacrifice arrangement.

Where an auto-enrolled member's contributions are deducted in the first three months of membership, they will be paid across to the Scheme by the 19th of the fourth month or by 22nd of the fourth month if paid electronically, as permitted by the Automatic Enrolment (Miscellaneous Amendments) Regulations 2013.

This schedule does not cover the Employer's commitment to pay across to the Trustee additional voluntary contributions made by members.

Other contributions may be payable by members as set out under the current Scheme's Trust Deed and Rules and the rate or basis of payment/due dates are set out in the Trust Deed and Rules.

Enhanced opt out member contributions

Enhanced opt out members shall pay contributions in such amount, or at such rate, as determined by the Trustee having taken advice from the Scheme Actuary.

2. Employer contributions

The Employers shall pay contributions no less frequently than monthly, at least on the following basis:

(A) For the period to 30 September 2021:

21.1% of Salary

(B) For the period from 1 October 2021 to 31 March 2022

21.4% of Salary

(C) For the period from 1 April 2022 onwards

i. Should a Benefit Change Deed be entered into on or before 28 February 2022 then the following shall be paid for the period from 1 April 2022 to 31 March 2038, subject to review following the next actuarial valuation:

   21.4% of Salary, adjusted for any contribution rate change if that is required as a result of a reallocation as between Members and Employers following the Member Consultation referred to at 1(C)(i) above.

ii. Alternatively, should no such Benefit Change Deed be entered into on or before 28 February 2022 then the following shall be paid for the period from 1 April 2022 to 31 July 2032, subject to review following the next actuarial valuation:

From 1 April 2022 to 30 September 2022:	23.7% of Salary
From 1 October 2022 to 31 March 2023:	27.1% of Salary
From 1 April 2023 to 30 September 2023:	29.1% of Salary
From 1 October 2023 to 31 March 2024:	31.0% of Salary
From 1 April 2024 to 30 September 2024:	33.0% of Salary
From 1 October 2024 to 31 March 2024:	34.9% of Salary
From 1 April 2025 to 30 September 2025:	36.9% of Salary
From 1 October 2025 onwards:	38.2% of Salary

   In each case these shall be adjusted for any contribution rate change if that is required as a result of a reallocation as between Members and Employers following the Member Consultation referred to at 1(C)(ii) above.

The employer contributions above are in each case exclusive of the additional employer contributions payable as a result of a salary sacrifice arrangement.

The total employer contributions include a provision for:-

- the cost of the future accrual of DB benefits (net of member contributions to the DB Section),
- contributions towards the correction of the deficit in the DB section,

- non-investment related administrative expenses and PPF levies (at an assumed level of 0.4% of total Salaries), and
- the employer contributions towards DC benefits and provision for certain investment management costs relating to the DC section, subject to review if those investment management costs exceed 0.1% of total Salaries.

Employer contributions towards DC benefits

Employer contributions towards DC benefits will be equal to 12% of Salary above the Salary Threshold.

Employer contributions towards DB benefits

The balance of the total employer contributions net of the employer contributions towards DC benefits will be paid into the DB section. This will therefore depend on various factors, for example whether the Benefit Change Deed is introduced, and on actual salary above the threshold.

From 1 April 2022, the Employer contributions (assuming the Benefit Change Deed is introduced) include 6.3% in respect of deficit contributions.

If no Benefit Change Deed is introduced, the deficit contributions included within the Employer contributions would be as set out below:

From 1 October 2022 to 31 March 2023:	3% of Salary
From 1 April 2023 to 30 September 2023:	6% of Salary
From 1 October 2023 to 31 March 2024:	9% of Salary
From 1 April 2024 to 30 September 2024:	12% of Salary
From 1 October 2024 to 31 March 2024:	15% of Salary
From 1 April 2025 to 30 September 2025:	18% of Salary
From 1 October 2025 onwards:	20% of Salary

In addition, where an active member participates in the salary sacrifice arrangement as permitted under Rule 41, the Employer will pay additional employer contributions to the Scheme equivalent to those which the member would have been obliged to pay but for the salary sacrifice arrangement.

Contributions shall fall due on the last day of each calendar month in respect of that month, and shall be paid by the 19th of the subsequent month or by the 22nd of the following month if paid electronically. However, the Trustee can determine that payments be made earlier if appropriate and, if so, the date of payment will become the due date.

Employer contributions in respect of enhanced opt out members

Employers shall pay contributions in respect of enhanced opt out members of at least 6.3% of Salary or such higher amount as determined by the Trustee having taken advice from the Scheme Actuary. If no Benefit Change Deed is introduced, from 1 October 2023 this minimum rate should increase so it is in line with the deficit contributions set out above.

3. Employer contributions in respect of benefit augmentations

In addition, unless the Trustee resolves otherwise, the Employers shall pay the cost, as determined by the Trustee having taken advice from the Scheme Actuary, of any benefit augmentations requested by the employer and approved by the Trustee.

4. Other Employer contributions

Other contributions may be payable by Employers as set out under the current Scheme's Trust Deed and Rules and the rate or basis of payment/due dates are set out in the Trust Deed and Rules.

5. Acceleration of employer contributions in certain circumstances

Subject to paragraph 6 below, where the Trustee (acting reasonably) has concluded, in accordance with Section 7 of Part B of the Debt Monitoring Framework dated [date] (Debt Monitoring Framework) that it is not possible to agree satisfactory mitigation measures and there has been a Material Weakening of the Employer's covenant (as defined in the Debt Monitoring Framework), it may determine that an Employer should accelerate its payment of deficit contributions. The Employer shall then pay accelerated deficit contributions as follows in place of the deficit contributions set out above (unless otherwise agreed between the Employer and the Trustee):

- For the Acceleration Period (as defined below), such percentage of Salary as determined by the Trustee having taken the advice of the Scheme Actuary such that the value of these contributions over the Acceleration Period is equal to the value of the deficit contributions that would otherwise be paid by that Employer between the start of the Acceleration Period and the end date of the Recovery Plan. Such contributions shall be due monthly and by the same due dates as regular Employer deficit contributions. That Employer shall pay no further deficit contributions relating to the deficit addressed by this Schedule after the Acceleration Period.

- The value of any deficit contributions paid by an Employer in excess of those which would otherwise have been payable will be recorded by the Trustee and their aggregate amount will be the "Accelerated Contribution Amount" in respect of that Employer.

For the purposes of this Schedule, the "Acceleration Period" will be a period of time, with a minimum period of one day and a maximum period of one calendar day less than the remaining term of the Recovery Plan, as determined by the Trustee, having taken such professional advice as it considers necessary.

The Acceleration Period will be that proportion of the remaining Recovery Plan period that is determined by the Trustee (acting reasonably) so as to address the increased risk identified by the Trustee through its operation of the Debt Monitoring Framework that a change in the Employer's financial position has had, continues to have or is reasonably likely to have on the covenant provided by the Employer to the Scheme.

The Trustee will notify the Employer of the length of the Acceleration Period and the percentage of Salary due during the Acceleration Period at least 60 calendar days in advance of the start of the Acceleration Period (the "**Notification Period**").

The provisions regarding the possible acceleration of deficit contributions referred to in this paragraph 5 above shall not apply to an Employer that has exceeded one or more of the relevant Monitoring Metrics where:

(a) subject to (c) below, the Employer in question has, agreed with the Trustee, in writing and in accordance with the Debt Monitoring Framework, a suitable remediation plan with the Trustee (where the Trustee determines such a plan is required) and the Trustee considers that the Employer continues to implement its terms in full (including any revisions made to such a plan, as requested by the Trustee from time to time) for so long as is considered necessary by the Trustee;

(b) the Trustee has confirmed in writing to the Employer in question that the Trustee has waived the requirements of this section of the Schedule and such waiver remains in full force and effect; or

(c) following receipt of the Trustee's notification referred to in this paragraph 5, the Employer has appealed the Trustee's decisions in relation to the Acceleration Period, or in relation to both the Acceleration Period and the Trustee's proposals for a remediation plan, and the appeal is either ongoing at the end of the Notification Period or has been upheld in accordance with the process and timings outlined in the Debt Monitoring Framework. Where the appeal has not been upheld and the Notification Period has already concluded, the Trustee shall notify the Employer accordingly in writing and the Acceleration Period shall commence immediately upon receipt of such notification. The Employer shall also be required to pay within 30 calendar days as a single payment to the Trustee the Accelerated Contribution Amount that would otherwise have been payable had the Acceleration Period commenced from the end of the Notification Period

6. Early cessation of arrangement for acceleration of contributions

Where an Employer has paid accelerated contributions in accordance with the preceding provision, then with effect from such date determined by the Trustee (eg in circumstances where the Trustee considers the Employer is no longer in breach of the Debt Monitoring Framework) (the Acceleration End Date), the deficit contributions due from that Employer until the end date of the Recovery Plan may revert to the standard deficit contributions payable over the full Recovery Plan as set out in paragraph 2 above, reduced (by reference to the Accelerated Contribution Amount for that Employer) by such amount (or percentage of Salary) as determined by the Trustee having taken the advice of the Scheme Actuary.

7. Replacement or amendment of the Recovery Plan in advance of its completion

Where the Recovery Plan is amended or replaced in advance of its completion, an Employer who is within or has completed an Acceleration Period will have made a greater proportion of deficit contributions than employers not subject to any acceleration of contributions (the value of the increment being the "Incremental Contribution"). In this circumstance the total contribution rate required of the Employer at the time of amendment or replacement of the Recovery Plan shall be adjusted so as to offset the Incremental Contribution over time. Such an arrangement shall be made without prejudice to any rights of the Trustee to accelerate deficit recovery contributions for that Employer in future.

Salary and Salary Threshold

For the purposes of this schedule, Salary and Salary Threshold are as defined in the Scheme's Trust Deed and Rules at the relevant time.

Arrangements for other parties to make payments to the Scheme

There is no provision except in specific, limited circumstances in the Scheme Rules to allow someone other than the Employers or a Scheme member to make contributions to the Scheme.

Dates of review of this schedule

This schedule of contributions will be reviewed by the Trustee and the Employer no later than 15 months after the effective date of each actuarial valuation, due no less frequently than every three years.

This schedule may be revised from time to time where revisions to it are determined by the Trustee after consultation with Universities UK (as the Employers' representative for these purposes), and provided that the Scheme Actuary certifies any changes in the rates of contributions, in accordance with Section 227 and 229 of the Pensions Act 2004.

Signed on behalf of the Trustee of the Universities Superannuation Scheme	
Name	
Position	
Date of signing	XX XXX

Actuary's certification of schedule of contributions

Universities Superannuation Scheme

This certificate is provided for the purpose of Section 227(5) of the Pensions Act 2004 and Regulation 10(6) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme: **Universities Superannuation Scheme**

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2020 to be met by the end of the period specified in the recovery plan dated [date].

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated [date].

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature: ……………………………………………. Date: [date]

Name: *Aaron Punwani*
Appointed Scheme Actuary
Fellow of the Institute and Faculty of Actuaries

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Notes not forming part of the certification

In giving the above opinion I have interpreted the phrase "could have been expected to be met" as being satisfied by consideration of the proposed contributions under the economic and demographic scenario implied by the trustees' funding assumptions as set out in their statement of funding principles dated [date] and their Recovery Plan dated [date] and without any further allowance for adverse contingencies that may arise in the future. My opinion does not necessarily hold in any other scenarios.

Furthermore, I have taken no account of either adverse or beneficial outcomes that have become known to me since the effective date of the valuation. However, I have taken account of contributions that are payable to the Scheme between the effective date of the valuation and the date that I have certified this Schedule.

The Statement of Funding Principles dated [date], the Recovery Plan dated [date] and the Schedule of Contributions dated [date] each contain alternative provisions dependent on whether or not a deed effecting benefit changes is entered into on or before 28 February 2022. The certification above is valid in either of the two scenarios set out in those documents.