

Universities UK – alternative proposal to conclude the 2018 valuation

27 August 2019

In the spirit of seeking to achieve an agreement, and with the intention of finding a solution to the 2018 valuation which all stakeholders can potentially find acceptable, Universities UK (UUK) are making an alternative without prejudice proposal that involves no benefit changes as a result of the 2018 valuation and contribution rates as set out below:

With effect from 1 October 2019:

Members: 9.1% Employers: 21.6% Total: 30.7%

With effect from 1 October 2021:

Members: 11.0% Employers: 23.7% Total: 34.7%

The proposal outlined above is made on the following conditions:

- That UCU agrees not to proceed with the planned ballot for strike action on pensions.
- The cost-sharing of contributions as per the default arrangements in the scheme rules and as included in our original proposal would continue to apply from 1 October 2021, and in respect of future valuations – it is planned that the forthcoming 2020 valuation would supersede the contribution rates set out from 1 October 2021 above.
- That both UUK and UCU can obtain a mandate to support this proposal in a sufficient timescale to replace the contribution rates currently scheduled to apply from October 2019.

This alternative proposal provides members with the percentage contribution as set out in the JEP's proposals, which were supported by both UCU and UUK. This is a proposed reduction from 9.6% to 9.1% of salary, with employers agreeing to a two-year increase in contributions from 21.1% to 21.6% of salary. It provides space for stakeholders to consider and work with the recommendations from the JEP's second report (which is due in September) to inform the 2020 valuation.

It is fully acknowledged that the first JEP report was about more than a contribution rate. UUK has re-stated at the JNC its commitment to the JEP and its serious and positive intentions to work collaboratively with UCU ahead of and during the 2020 valuation using the JEP's second report as a catalyst.