

**RESPONSE FORM**

**A CONSULTATION**

ON THE USS TRUSTEE’S PROPOSED ASSUMPTIONS FOR THE SCHEME’S TECHNICAL PROVISIONS IN RELATION TO THE 2023 VALUATION

**CLOSING DATE: 22 SEPTEMBER 2023**

**REPLY TO:** [**PENSIONS@UNIVERSITIESUK.AC.UK**](mailto:PENSIONS@UNIVERSITIESUK.AC.UK)

**MAKING YOUR RESPONSE** TO THE CONSULTATION ON THE USS TRUSTEE’S PROPOSED ASSUMPTIONS FOR THE SCHEME’S TECHNICAL PROVISIONS

The USS Trustee is undertaking a valuation of USS as at 31 March 2023, and on 19 July 2023 the Trustee published its consultation on the scheme’s technical provisions and on the draft Statement of Funding Principles (SFP).

Firstly, USS sponsoring employers are invited to give feedback on the technical provisions and the underlying assumptions which are proposed to be adopted by the USS Trustee, and the SFP.

As a reminder, the USS trustee has invited feedback on its eight core consultation elements:

1. Proposed discount rates, both for the purposes of valuing Technical Provisions and determining future service contributions.
2. Remaining proposed assumptions set out in the Statement of Funding Principles (covering inflation, mortality, and the other demographic assumptions).
3. Any other aspect of the assumptions and methodology underlying the Technical Provisions.
4. Any other matter included in the Statement of Funding Principles. Whether employers are willing to agree to debt monitoring and *pari passu* arrangements and the long-term rule change required to support a strong covenant.

In addition, comments are welcomed on:

1. The Trustee’s overall assessment of employer covenant, including assumptions made about the level of financial support employers are collectively able and willing to give the Scheme and their Affordable Risk Capacity.
2. The assumed Valuation Investment Strategy (VIS) and strategic mix of return-seeking assets and matching assets.  
   (Note that more extensive engagement with employers on the investment strategy will take place in the later stages of the valuation process.)
3. The balance and trade-offs between investment risk, the degree of prudence and stability (of benefits, contributions, and funding levels), both at this valuation and looking ahead.
4. Any other aspect of this consultation.

Secondly, Universities UK (UUK) has set out a broader plan for the development, and reform, of USS and invites USS sponsoring employers’ views on the plan.

The consultation questions for USS sponsoring employers are shown below.

1. Do you have any specific comments on the individual assumptions for the scheme’s technical provisions (and future service contribution rate) put forward by the USS Trustee, or indeed on their collective effect?

*[It would be helpful to refer here to the eight specific questions proposed by the USS Trustee, and which can be found above (and are taken from page six of the USS consultation document).]*

1. On the broader strategy, do you support the nine overall objectives set out in section 2 of the UUK briefing, and which do you consider the most / least important?

*[The nine objectives are stability, reduction in contributions, improvement to future benefits, commitment to covenant support, utilisation of surplus, conditional indexation, governance review, changes to long-term investment strategy, and lower cost / flexibility options.]*

1. Given the valuation outcome proposed in these TPs, do you support the approach set out in the joint statements to improve benefits to pre-April 2022 levels from April 2024 (and do you agree that there is sufficient evidence of stability / affordability to do so)?
2. More generally, are you content to provide a supportive mandate to UUK’s JNC negotiators to finalise the responses to the valuation in alignment with the joint statement?

We welcome responses to this consultation from each and every one of the scheme’s participating employers.

We encourage employers to consult with their own decision-making bodies as considered appropriate, so that the responses provided can be considered to be the view of the employer. We ask that employers confirm whether the organisation’s decision-making body has been consulted.

This template form is optional and can be used for the response from your institution (or alternatively please use the above structure in forming your responses where possible).

**Please send the response from your institution to** [**pensions@universitiesuk.ac.uk**](mailto:pensions@universitiesuk.ac.uk) **as soon as possible and no later than 5pm on Friday 22 September 2023.**

**THE USS TRUSTEE’S EIGHT QUESTIONS**

Please set out your comments and views on the USS Trustee’s eight questions as set out on page two (and on page six of the USS consultation document)

Insert text here

**ASSUMPTIONS FOR THE TECHNICAL PROVISIONS**

1. Do you have any specific comments on the individual assumptions for the scheme’s technical provisions (and future service contribution rate) put forward by the USS Trustee, or indeed on their collective effect?

[It would be helpful to refer here to the eight specific questions proposed by the USS Trustee, and which can be found on page six of the USS consultation document.]

Insert text here

Insert text here

**2023 VALUATION OBJECTIVES**

1. On the broader strategy, do you support the nine overall objectives set out in section 2 of the UUK briefing, and which do you consider the most / least important?

[The nine objectives are stability, reduction in contributions, improvement to future benefits, commitment to covenant support, utilisation of surplus, conditional indexation, governance review, changes to long-term investment strategy, and lower cost / flexibility options.]

**APPROACH SET OUT IN THE JOINT STATEMENTS**

1. Given the valuation outcome proposed in these TPs, do you support the approach set out in the joint statements to improve benefits to pre-April 2022 levels from April 2024 (and do you agree that there is sufficient evidence of stability / affordability to do so)?

Insert text here

**UUK MANDATE**

1. More generally, are you content to provide a supportive mandate to UUK’s JNC negotiators to finalise the responses to the valuation in alignment with the joint statement?

Insert text here





**PLEASE CONFIRM IF YOUR ORGANISATION’S DECISION-MAKING BODY HAS BEEN CONSULTED:**

**RESPONSE SUBMITTED BY:**

**NAME**

**POSITION**

**ON BEHALF OF:**

**INSTITUTION**

**Please send your completed form to:** [**pensions@universitiesuk.ac.uk**](mailto:pensions@universitiesuk.ac.uk) **as soon as possible and no later than 5pm on 22 September 2023**

**Thank you for taking the time to respond to this consultation.**



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E [pensions@universitiesuk.ac.uk](mailto:pensions@universitiesuk.ac.uk)

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