



USS Valuation outcome

# Member consultation presentation



welcome to brighter

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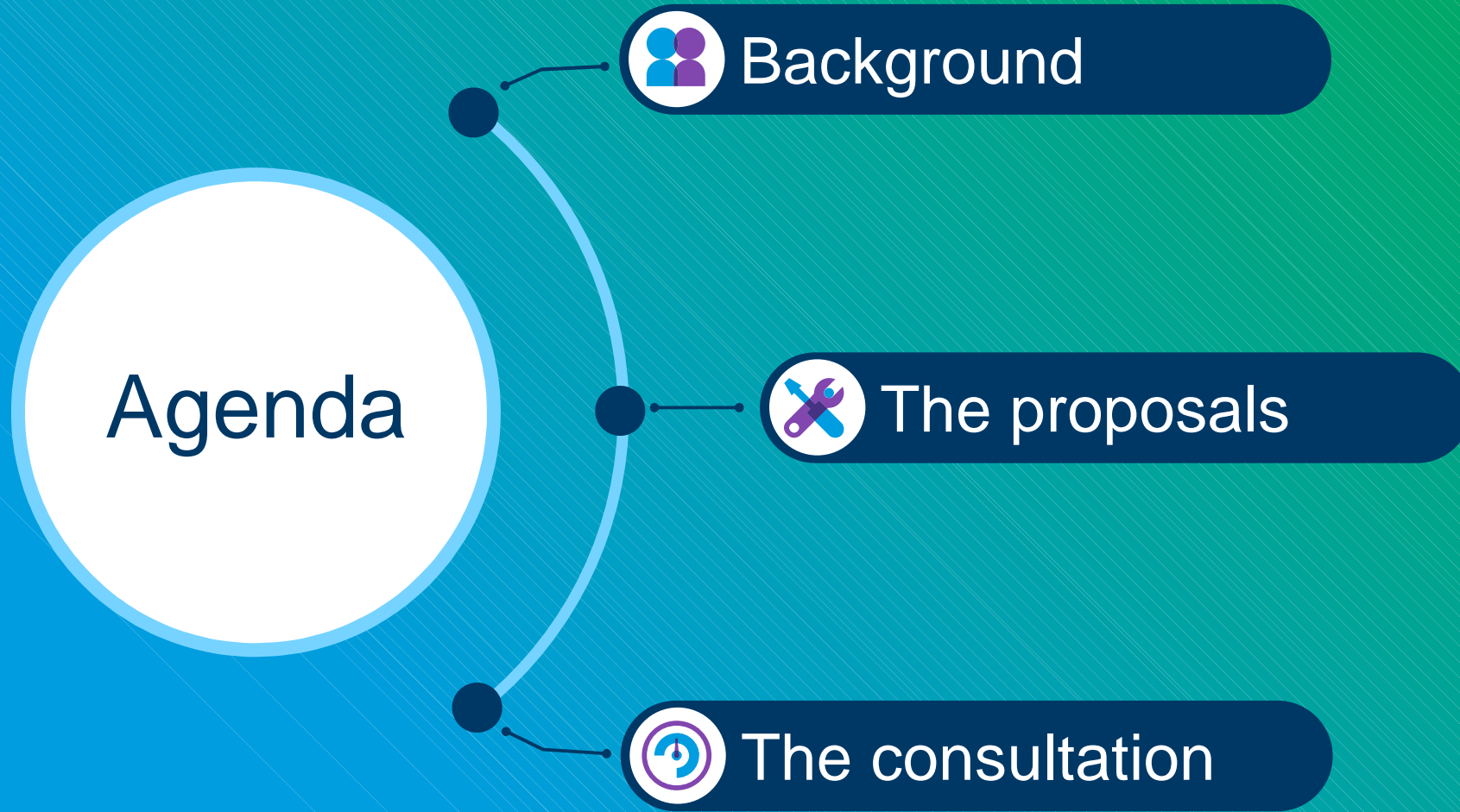
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## Warning

The material that follows is our interpretation of the proposals.

If there is a discrepancy between the information in this presentation and that provided by USS, the USS information is correct.





# Overview of benefits in USS

Pension and cash on retirement



Flexibility of when and type



Additional contributions



Death and ill-health benefits



Tax relief on contributions



## Contributions to USS

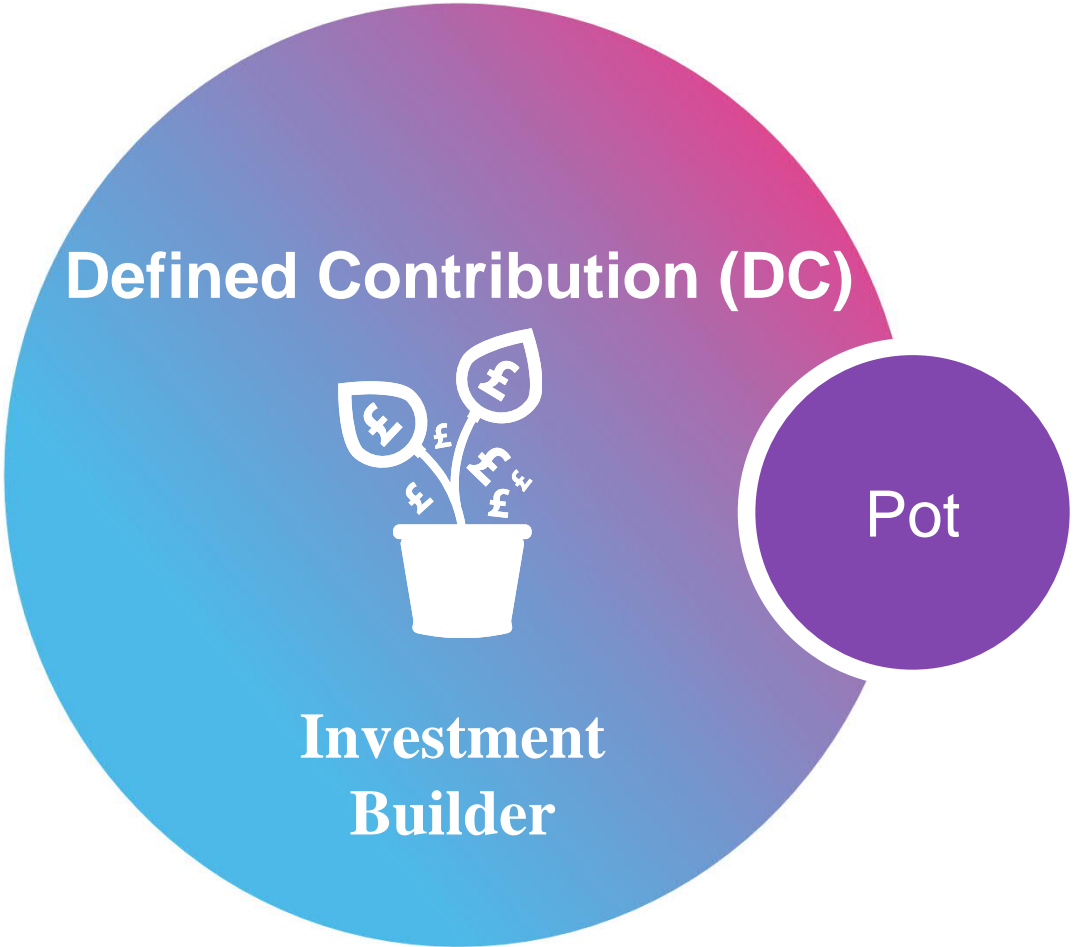
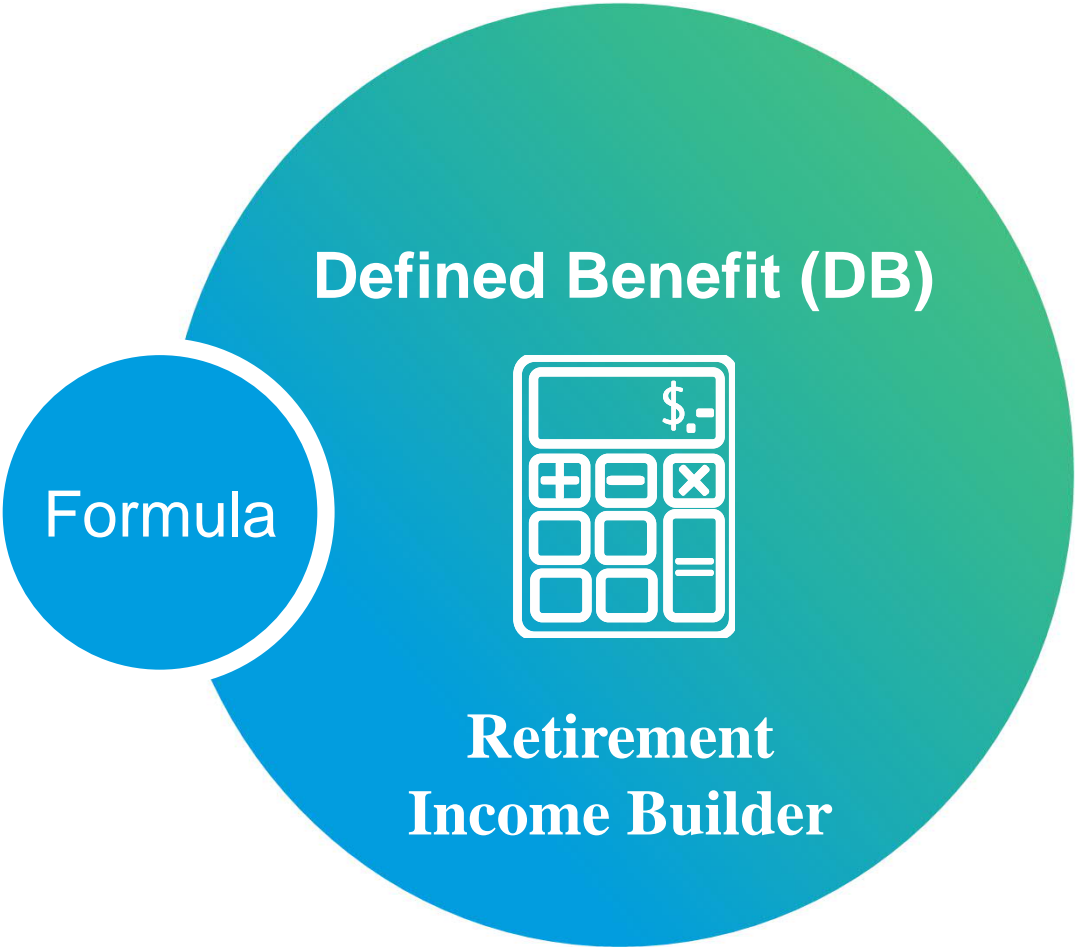


of your salary from  
**YOU**

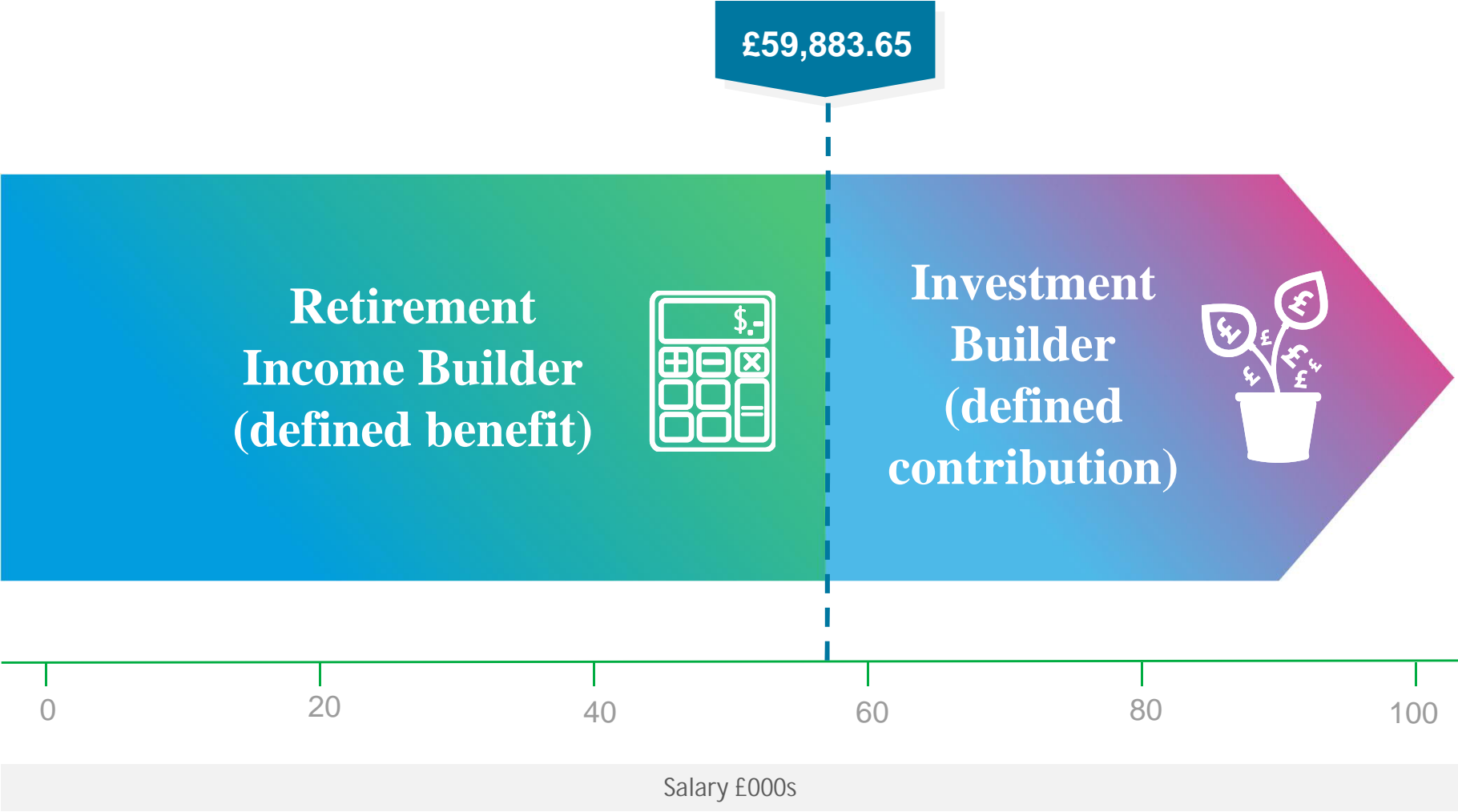


of your salary from your  
**EMPLOYER**

# Benefits in USS

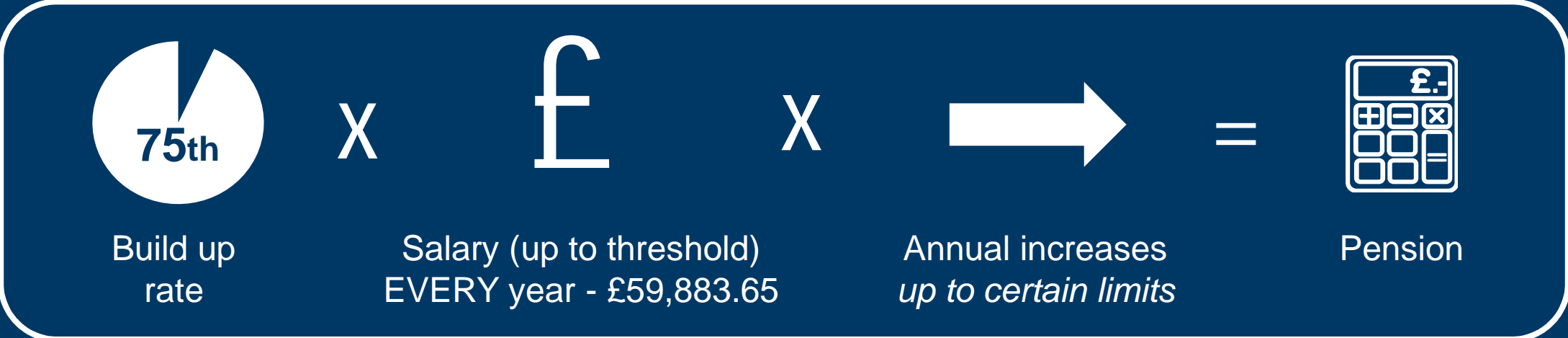


# Benefits in USS





# Retirement Income Builder



# Investment Builder



of your salary above the salary threshold from **YOU**

+



of your salary above the salary threshold from the **UNIVERSITY**

= **20%**

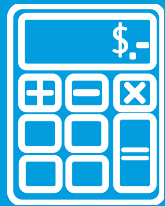
**Contributions**

**9.8% members**

# Current benefits in USS

£59,883.65

**Retirement Income Builder  
(Defined Benefit)**



**75ths**

**Investment Builder  
(Defined Contribution)**



**20%**

Salary £000s

**Annual increases**

**Plus tax free cash  
(3 times pension)**

**CPI up to certain limits**

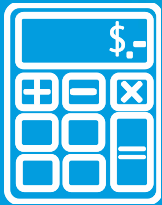
**Contributions**

**9.8% members**

# Current benefits in USS

£59,883.65

**Retirement Income Builder  
(Defined Benefit)**



**75ths**

**Investment Builder  
(Defined Contribution)**



**20%**

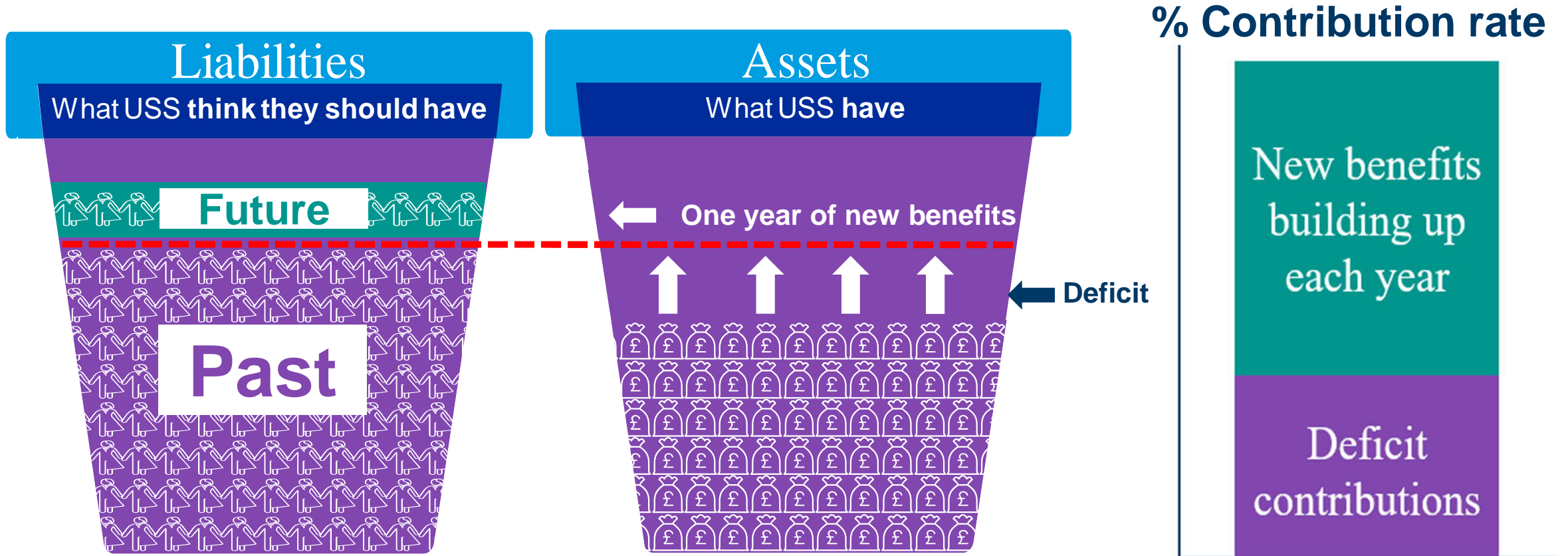
**Annual increases**

**Plus tax free cash  
(3 times pension)**

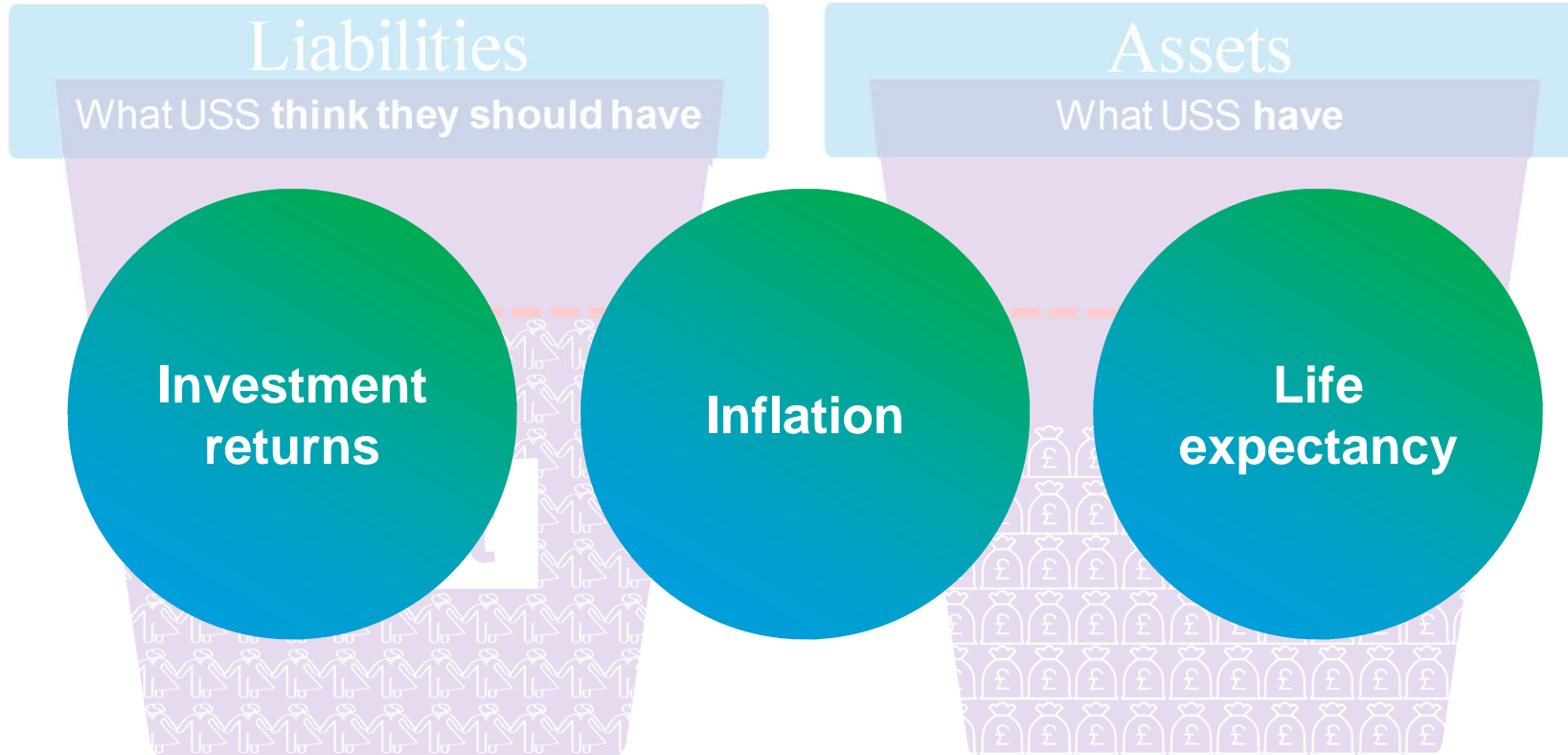
**CPI up to certain limits**

Salary £000s

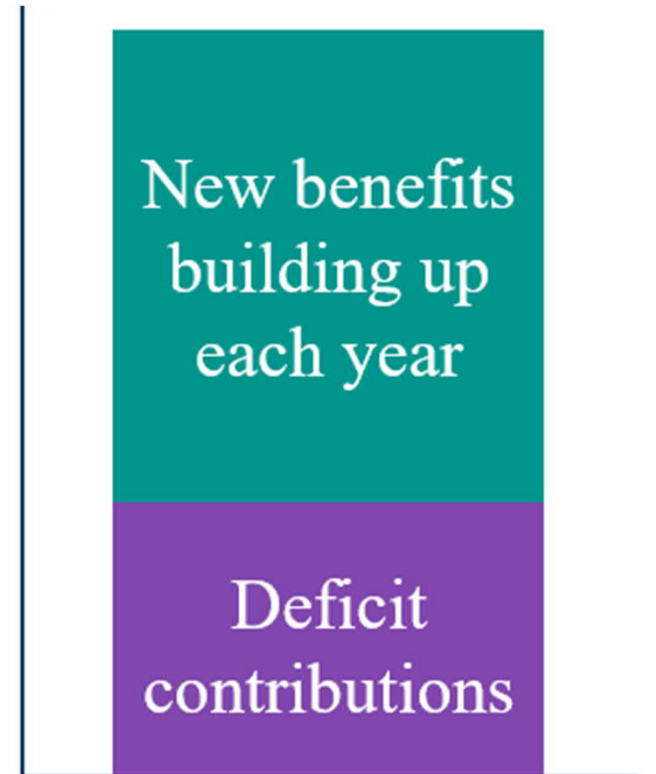
# Valuation



# Valuation



## % Contribution rate



# Different parties involved



Ensures benefits paid and does calculations



On behalf of employers



On behalf of members

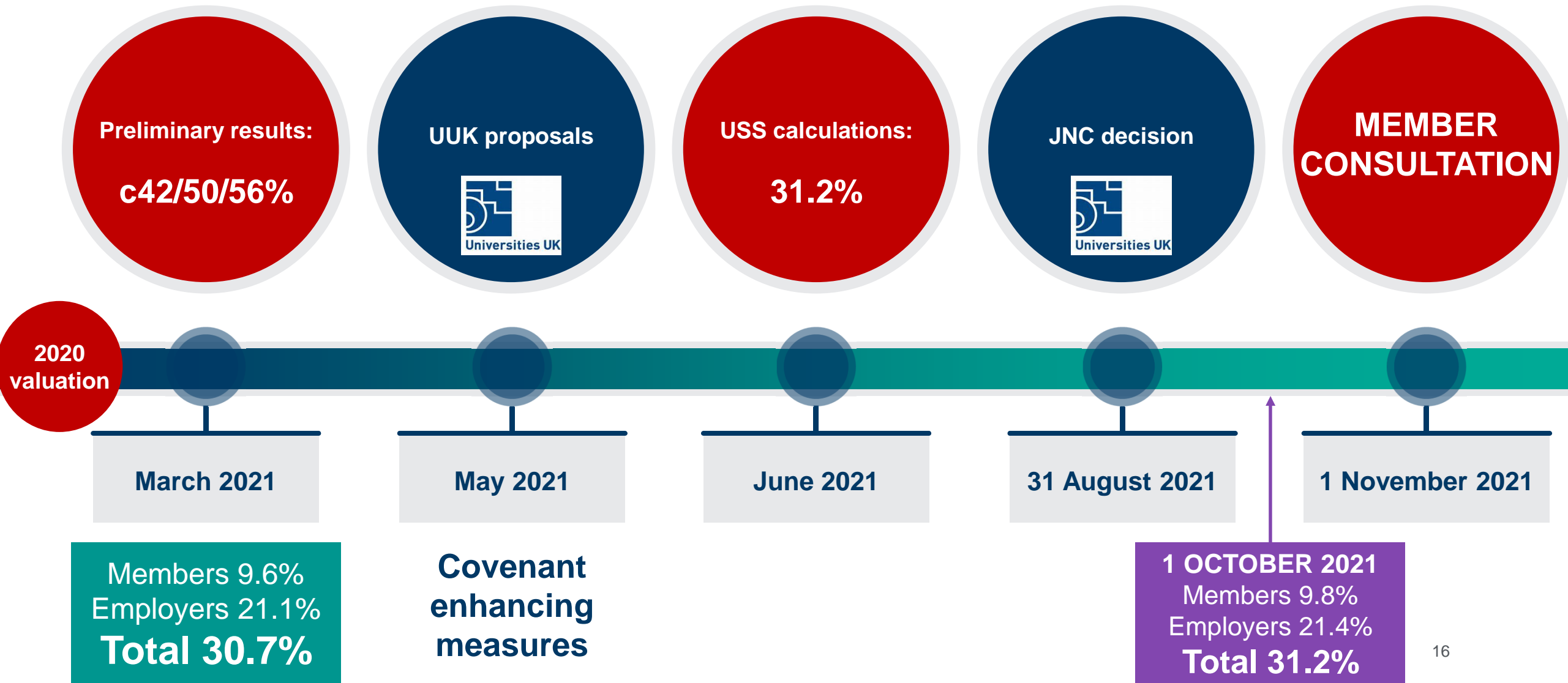


Requires schemes funded properly

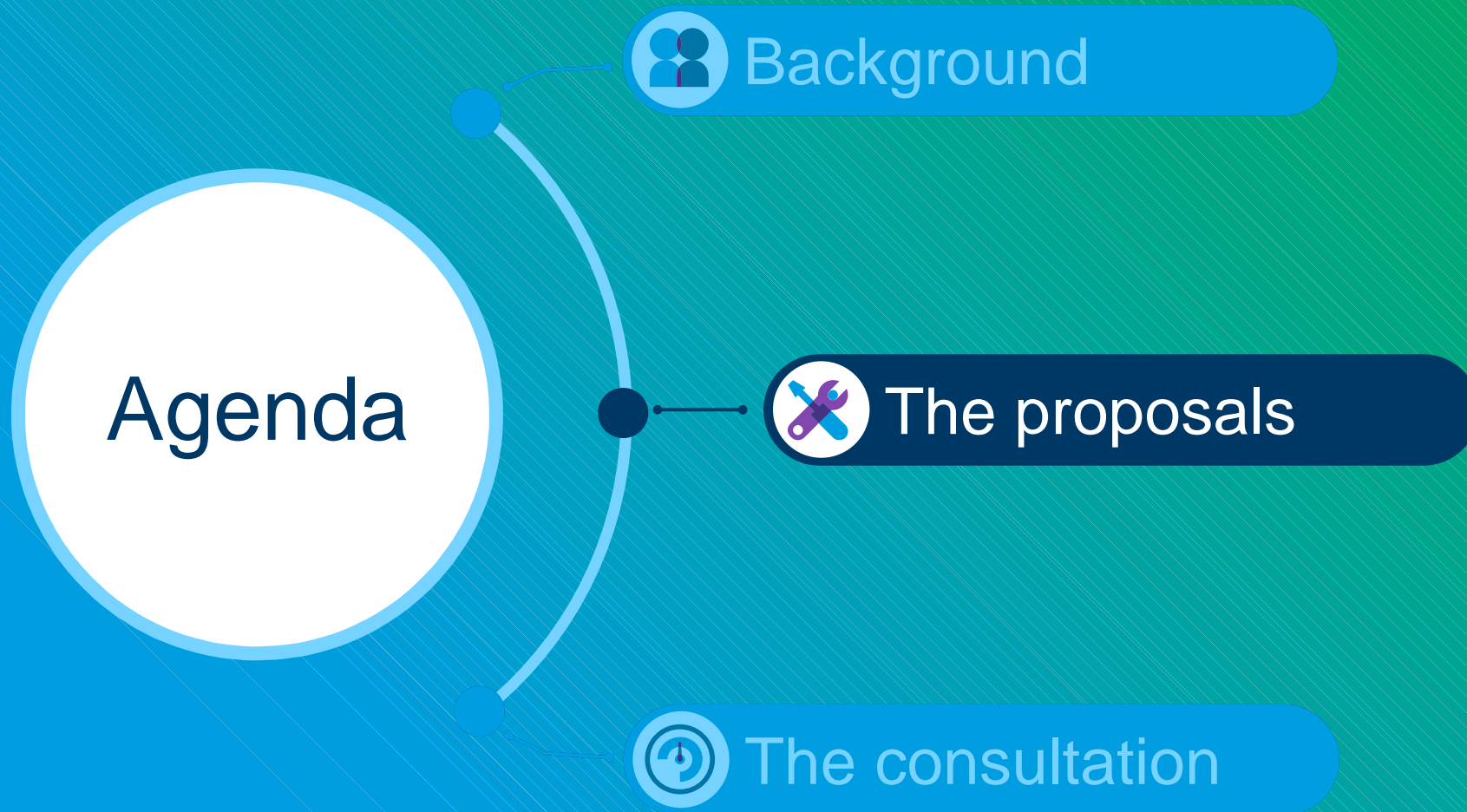


Makes decisions

# The 31 March 2020 valuation







# The proposed changes

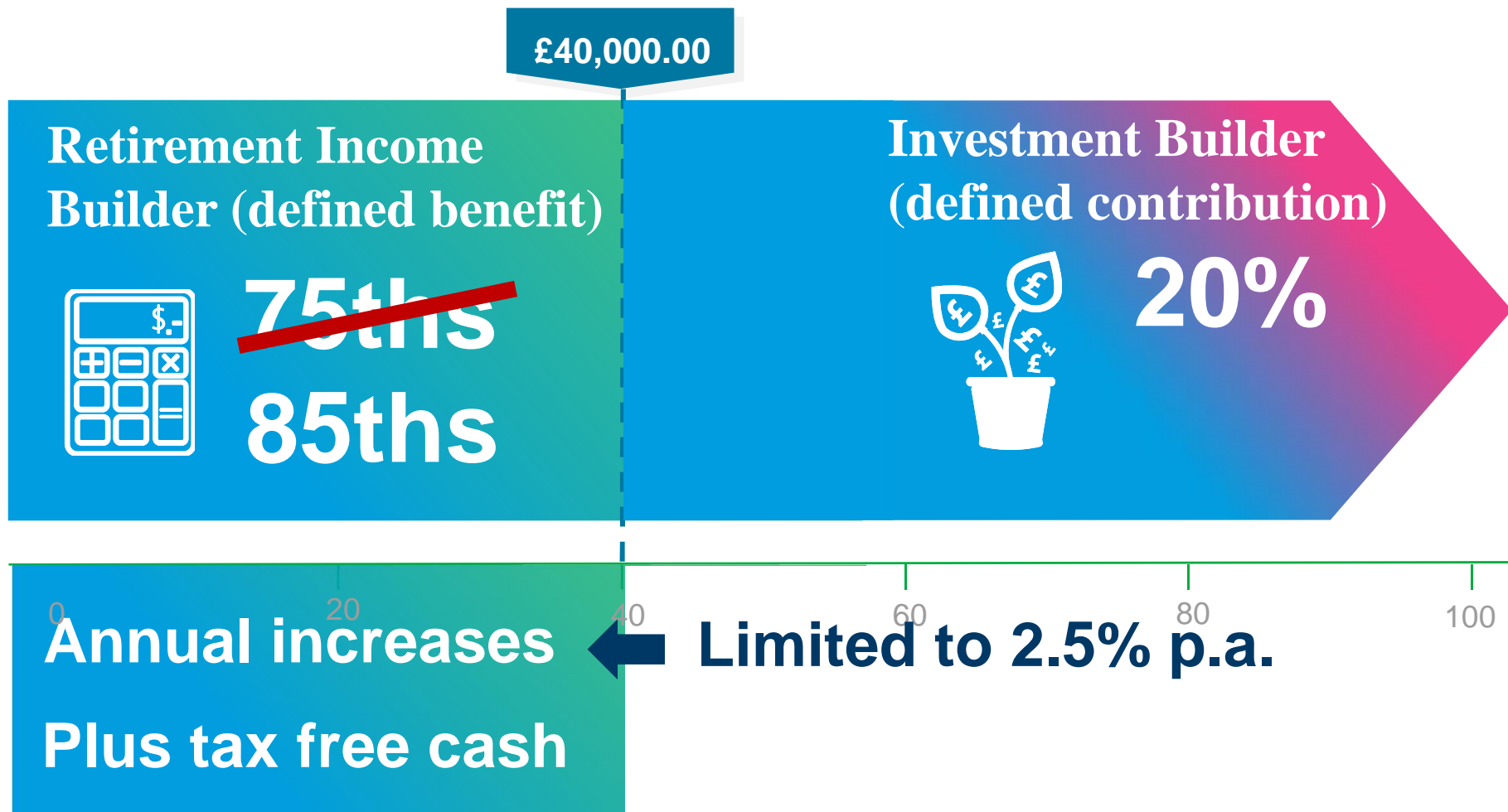
The screenshot shows the 'USS EMPLOYER CONSULTATION' website. At the top, there is a navigation bar with links for Home, Summary, Proposals, Modeller, Supporting Information, FAQs, Respond, and Glossary. A blue header contains the title and an 'Employer' button. Below the header is a dark blue banner with a welcome message and a photo of a group of people in a meeting. To the right of the banner is a section for 'Existing/active member' with a 'Log in' button, and a section for non-members with a 'Register' button. At the bottom, there is a grid of six service tiles: Summary, Proposals, Modeller, Supporting Information (marked as NEW), FAQs (marked as NEW), and Respond. Each tile includes a brief description and a 'Read more' or 'View documents' button.

## WARNING

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# Proposed package of benefit changes from 1 April 2022



# Retirement Income Builder – proposed from 1 April 2022



Build up  
rate

X

£

Salary (up to threshold)  
EVERY year - £40,000

X



Annual increases  
*Maximum 2.5% p.a.*

=



Pension

+



Pension

X

3

=



Tax-free cash

# Investment Builder – proposed from 1 April 2022



8%

of your salary above the  
salary threshold from  
**YOU**

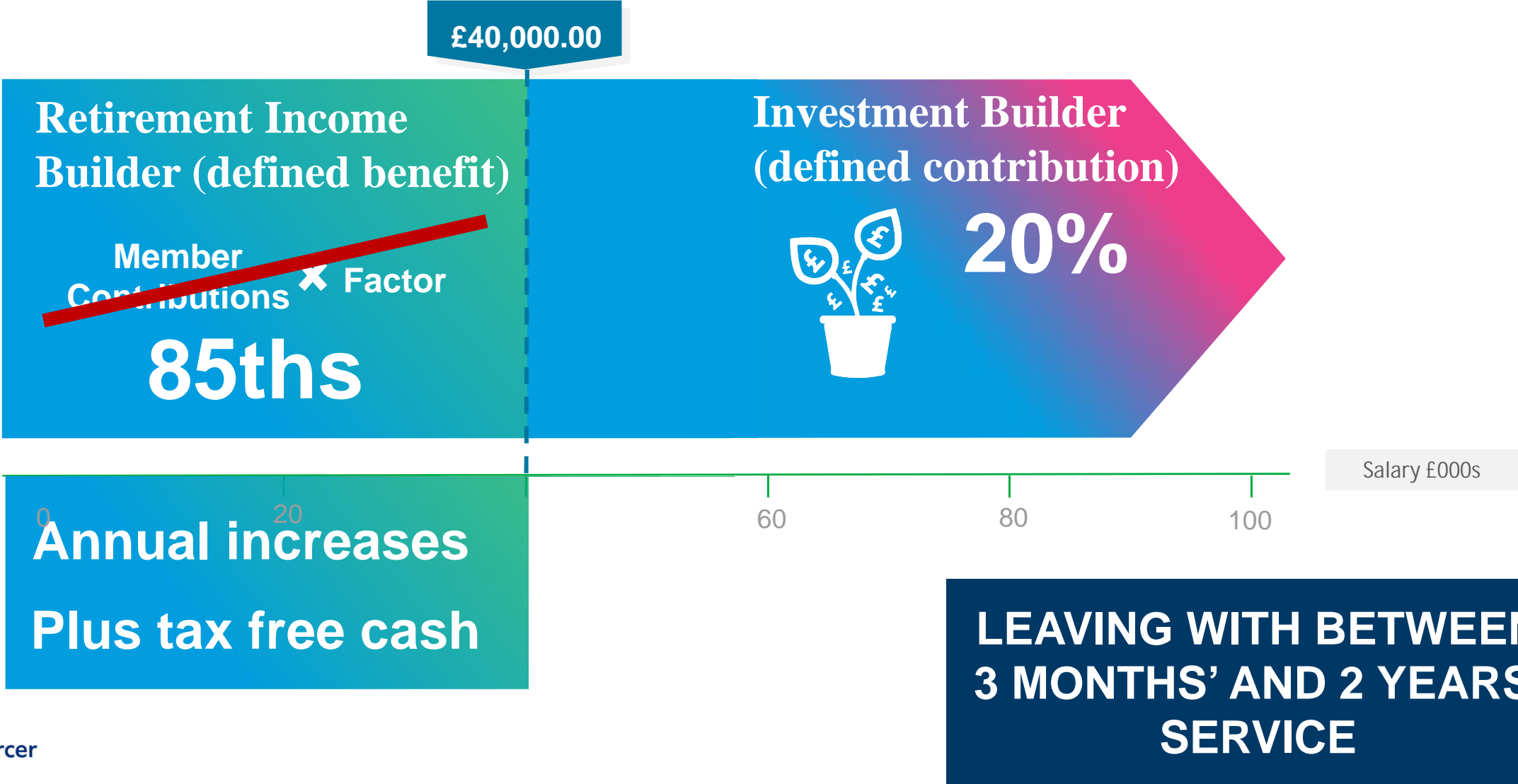
+

12%

of your salary above the  
salary threshold from the  
**UNIVERSITY**

= **20%**

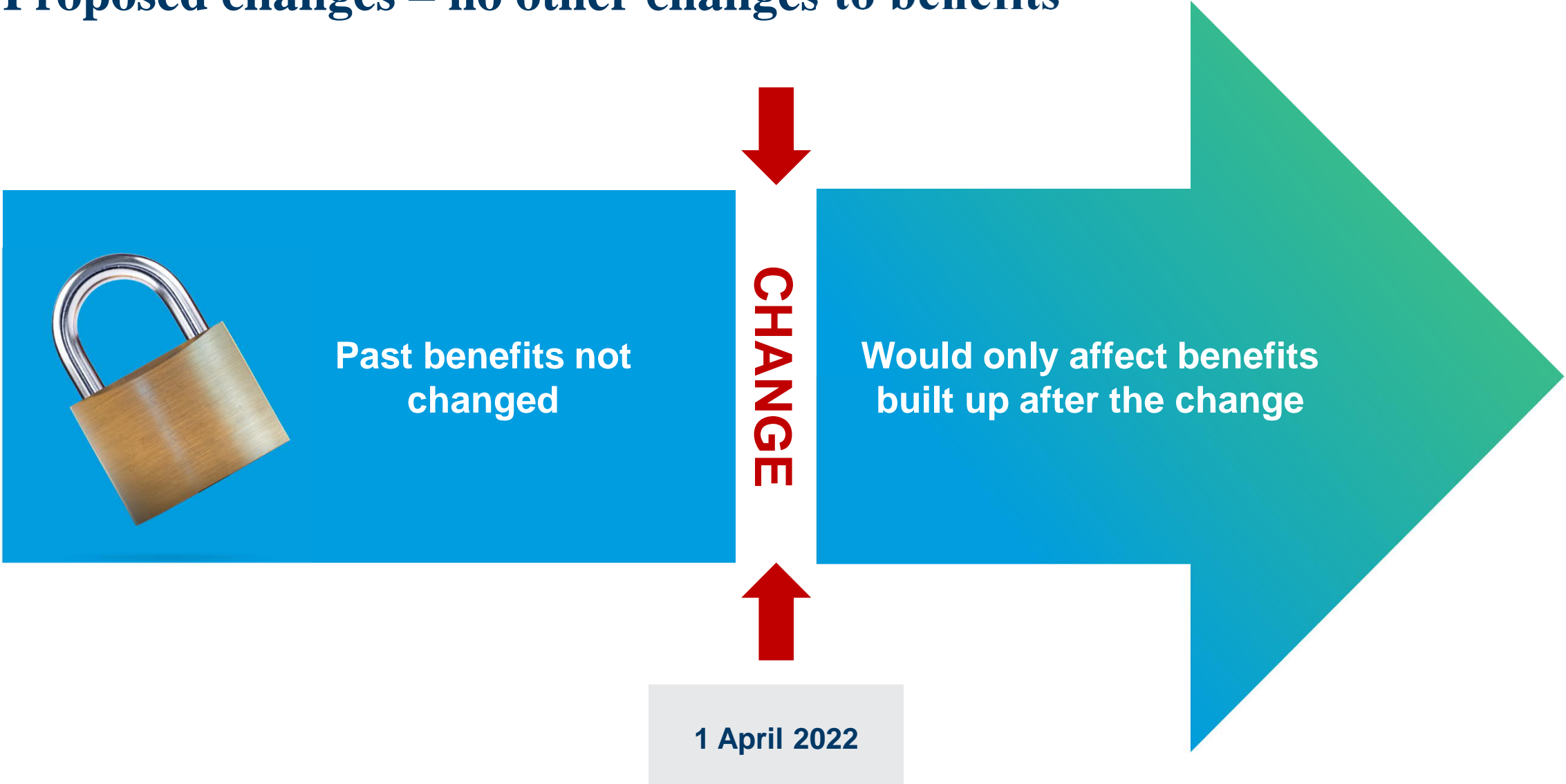
# Proposed package of benefit changes from 1 April 2022 – short service



## The fall-back position if no changes are made to the scheme

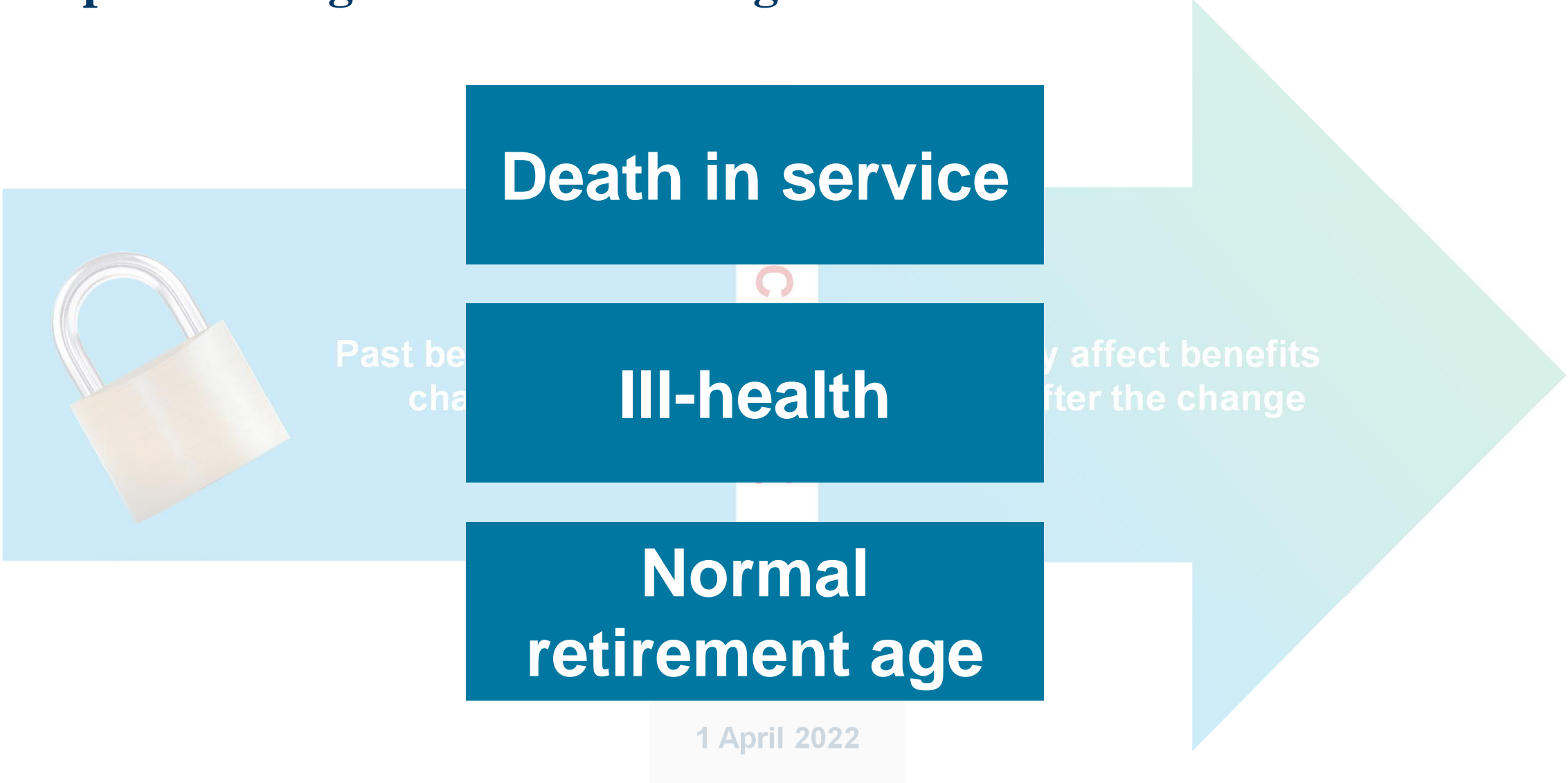
	Members (% of salary)	Employers (% of salary)
From 1 April 2022	11.0%	23.7%
From 1 October 2022	12.9%	27.1%
From 1 April 2023	13.9%	29.1%
From 1 October 2023	15.0%	31.0%
From 1 April 2024	16.0%	33.0%
From 1 October 2024	17.1%	34.9%
From 1 April 2025	18.1%	36.9%
From 1 October 2025	18.8%	38.2%

# Proposed changes – no other changes to benefits



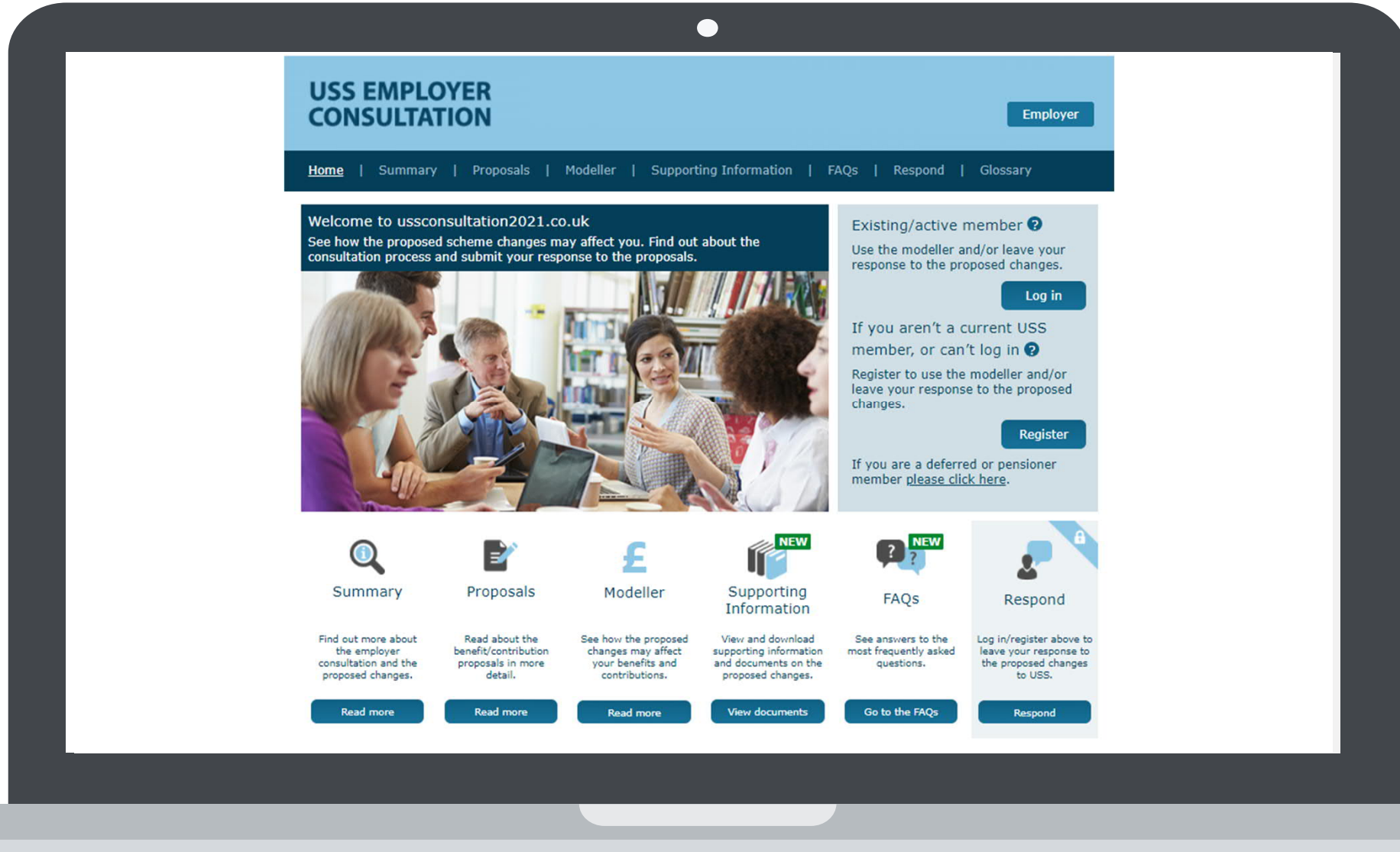


# Proposed changes – no other changes to benefits



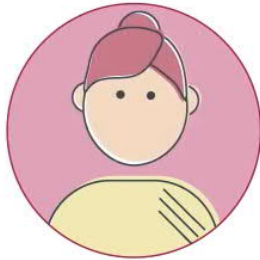


# Consultation website



# Consultation website - modeller

## Example members



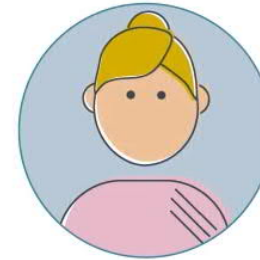
**Aria**

- Age 37
- Salary £30,000
- USS member for 3 years



**Bryn**

- Age 43
- Salary £50,000
- USS member for 8 years



**Chloe**

- Age 51
- Salary £70,000
- USS member for 18 years

# Consultation website - modeller

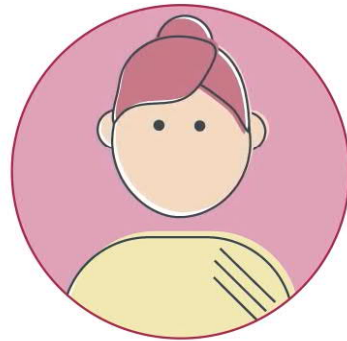
## Pension benefits - no changes

Aria's contributions would rise to 12.9% of salary (£220 a month) by October 2022 (then further increases after that).

At current rates, Aria's projected total USS pension benefits would be worth £17,250 a year when she retires.

### Aria

- Age 37
- Salary £30,000
- USS member for 3 years



## Pension benefits at retirement - proposed changes

Aria's contributions would remain 9.8% of salary (£170 a month)

With the proposed changes, Aria's projected total USS pension benefits would be worth £14,550 a year when she retires.

This is 16% lower than under the current rates.

# Consultation website - modeller

## Pension benefits - no changes

Bryn's contributions would rise to 12.9% of salary (£366 a month) by October 2022 (then further increases after that).

At current rates, Bryn's projected total USS pension benefits would be worth £24,800 a year when he retires.

### Bryn

- Age 43
- Salary £50,000
- USS member for 8 years



## Pension benefits at retirement - proposed changes

Bryn's contributions would remain 9.8% of salary (£279 a month)

With the proposed changes, Bryn's projected total USS pension benefits would be worth £20,300 a year when he retires.

This is 18% lower than under the current rates.

# Consultation website - modeller

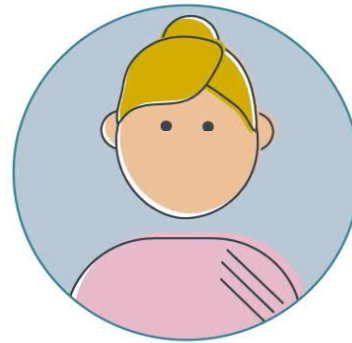
## Pension benefits - no changes

Chloe's contributions would rise to **12.9% of salary** (£436 a month) by October 2022 (then further increases after that).

At current rates, Chloe's projected total USS pension benefits would be worth **£30,800 a year** when she retires.

### Chloe

- Age 51
- Salary £70,000
- USS member for 18 years



## Pension benefits at retirement - proposed changes

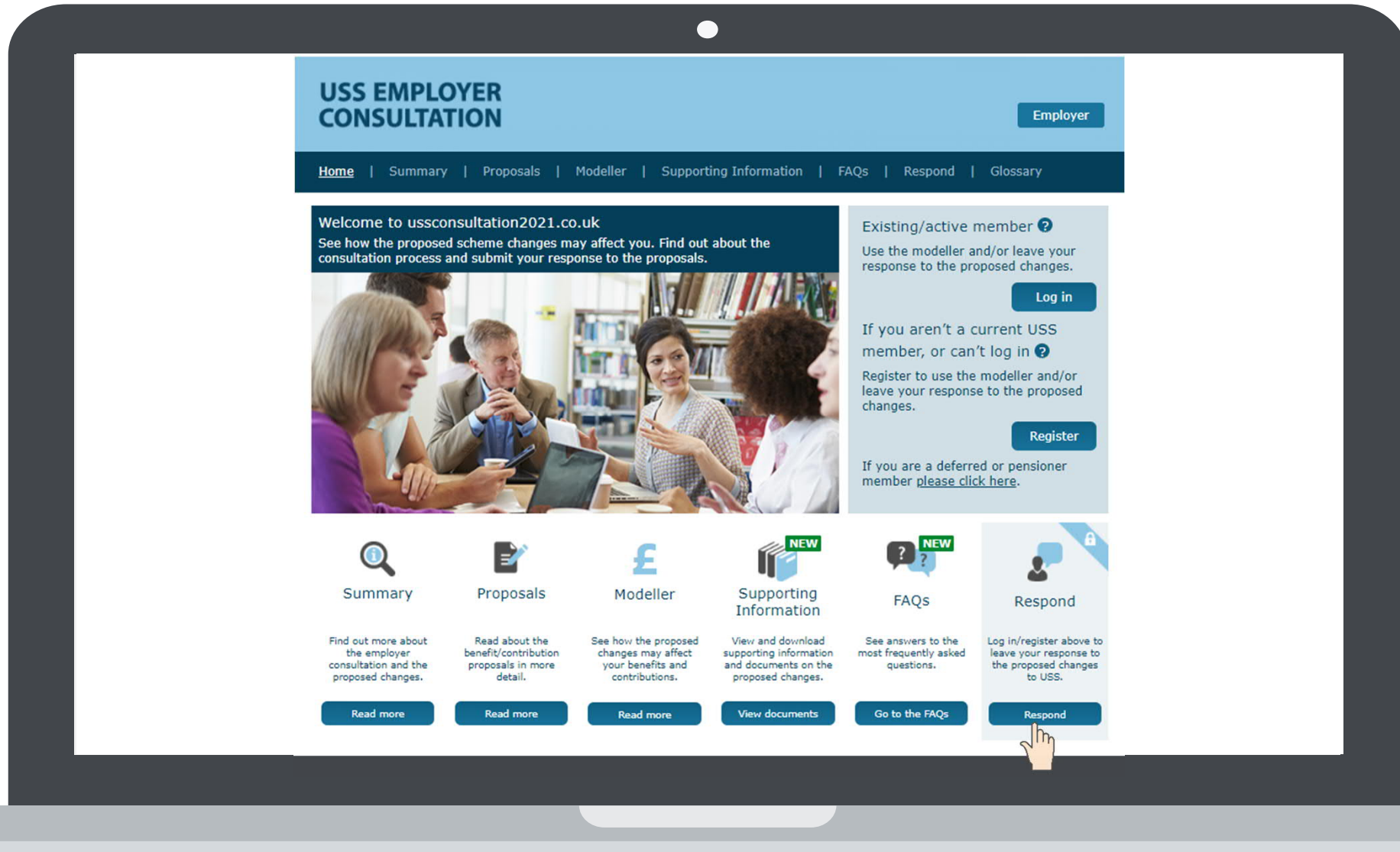
Chloe's contributions would remain **9.8% of salary** (£332 a month)

With the proposed changes, Chloe's projected total USS pension benefits would be worth **£27,600 a year** when she retires.

This is **10% lower** than under the current rates.

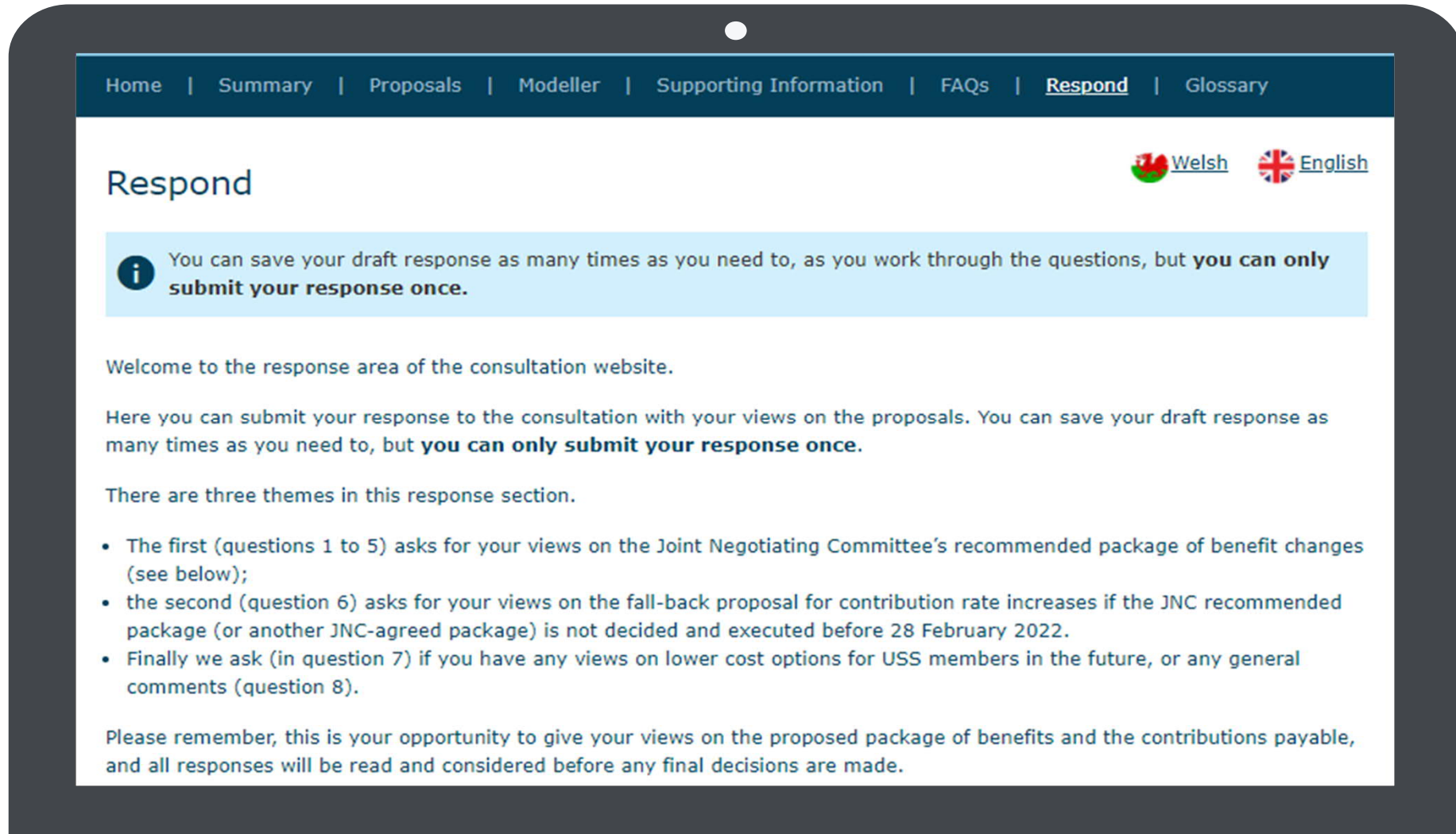


# Consultation website – Responding to the consultation





# Consultation website – Responding to the consultation



The screenshot shows a web browser displaying the 'Respond' page of a consultation website. The navigation bar at the top includes links for Home, Summary, Proposals, Modeller, Supporting Information, FAQs, Respond (which is highlighted), and Glossary. In the top right corner, there are language selection options for Welsh and English, each with a corresponding flag icon. The main heading is 'Respond'. A light blue information box contains a message: 'You can save your draft response as many times as you need to, as you work through the questions, but **you can only submit your response once.**' Below this, the page welcomes users to the response area and explains that they can save drafts but can only submit once. It then lists three themes for the response section: 1) Views on the Joint Negotiating Committee's recommended benefit changes; 2) Views on the fall-back proposal for contribution rate increases if the JNC package is not decided by 28 February 2022; and 3) Views on lower cost options for USS members and general comments. A final reminder states that all responses will be read and considered before final decisions are made.

Home | Summary | Proposals | Modeller | Supporting Information | FAQs | **Respond** | Glossary

Welsh English

## Respond

**i** You can save your draft response as many times as you need to, as you work through the questions, but **you can only submit your response once.**

Welcome to the response area of the consultation website.

Here you can submit your response to the consultation with your views on the proposals. You can save your draft response as many times as you need to, but **you can only submit your response once.**

There are three themes in this response section.

- The first (questions 1 to 5) asks for your views on the Joint Negotiating Committee's recommended package of benefit changes (see below);
- the second (question 6) asks for your views on the fall-back proposal for contribution rate increases if the JNC recommended package (or another JNC-agreed package) is not decided and executed before 28 February 2022.
- Finally we ask (in question 7) if you have any views on lower cost options for USS members in the future, or any general comments (question 8).

Please remember, this is your opportunity to give your views on the proposed package of benefits and the contributions payable, and all responses will be read and considered before any final decisions are made.

# Consultation website – Responding to the consultation

The screenshot shows a web browser displaying a consultation page. At the top, a dark blue navigation bar contains links: Home | Summary | Proposals | Modeller | Supporting Information | FAQs | **Respond** | Glossary. Below the navigation bar, the page title "Respond" is visible, along with language selection options for Welsh and English. A light blue information box contains the text: "You can save your draft response as many times as you need to, as you work through the questions, but **you can only submit your response once.**"

Three dark blue callout boxes with white text are overlaid on the page content:

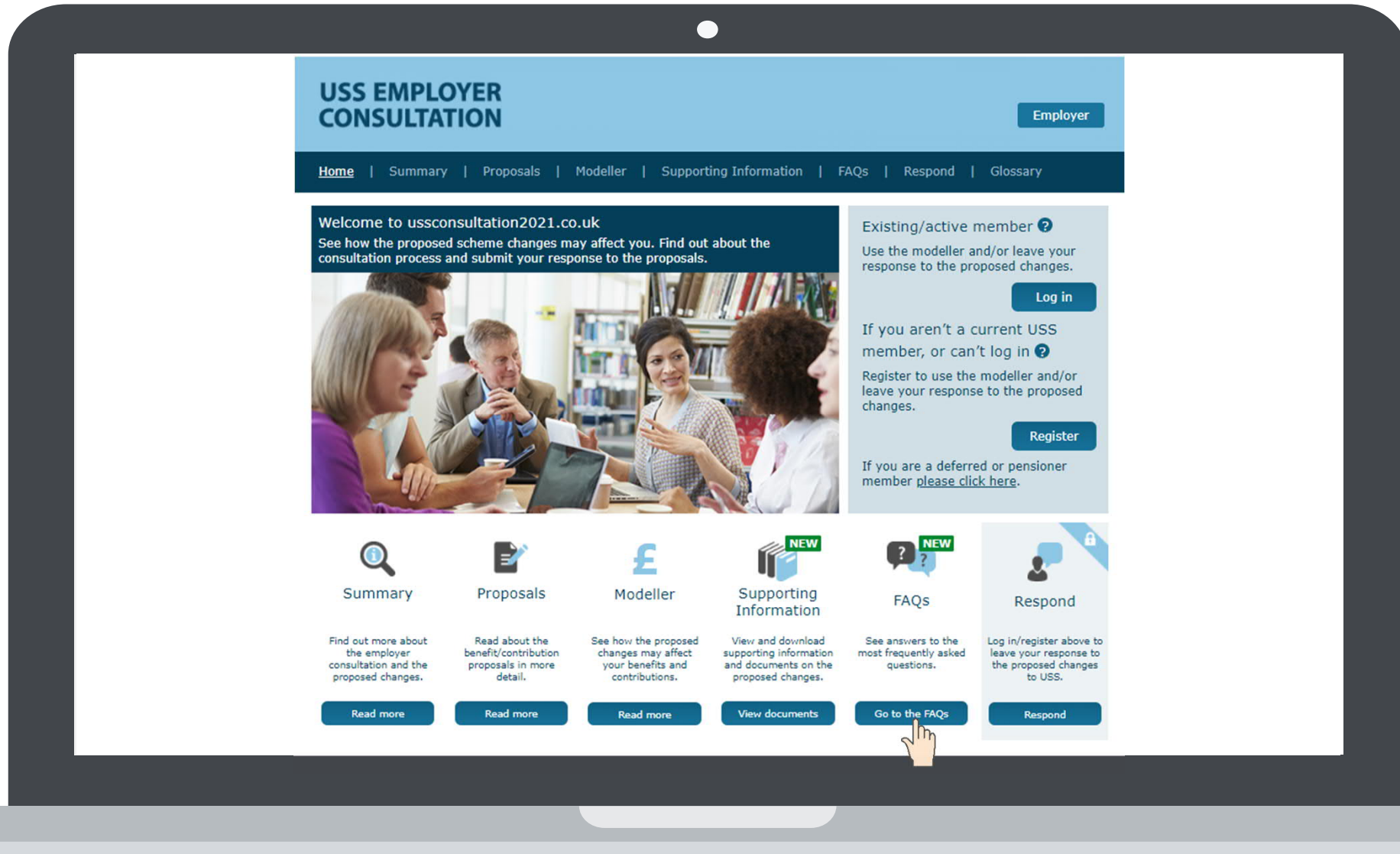
- The specific proposals**
- Fall-back position**
- Low cost options**

Below the callout boxes, a list of bullet points is visible:

- the second (question 6) asks for your views on the fall-back proposal for contribution rate increases if the JNC recommended package (or another JNC-agreed package) is not decided and executed before 28 February 2022.
- Finally we ask (in question 7) if you have any views on lower cost options for USS members in the future, or any general comments (question 8).

At the bottom of the page, a paragraph reads: "Please remember, this is your opportunity to give your views on the proposed package of benefits and the contributions payable, and all responses will be read and considered before any final decisions are made."

# Consultation website – Questions



# Timeline



