**USS Schedule of Contributions and Recovery Plan Consultation**

**University of Edinburgh Response, 11 January 2019**

The University of Edinburgh understands the steps taken by the Trustee to formally conclude the 2017 valuation with regards to the Schedule of Contributions (reflecting the increases resulting from the implementation of rule 76.4-8) and the Recovery Plan. The University wishes to emphasise that it does not view the proposed increases in employer and member contributions as a sustainable way forward for the Scheme, employers or for members. In line with our response to the UUK consultation regarding the Joint Expert Panel (JEP) recommendations on 30November 2018 the University sees the proposals of the JEP as a constructive way forward. We recognise that USS will be conducting a new valuation (and are also consulting on this process) in response to the JEP report and responses from employers through UUK.  We welcome the additional work planned around the new valuation and the assumptions leading to this and will respond to the relevant consultation accordingly. We also strongly support the next phase of work proposed for the JEP in order to develop a more sustainable scheme for future valuations, in the hope that unpredictability and uncertainty for both employers and members can be minimised.

With specific reference to the conclusion of the 2017 valuation:

* The University would support the reinstatement of the investment performance assumptions used in the previous valuation so that the Deficit Recovery Contributions (DRCs) can be reduced from their proposed 6% level from April 2020;
* Recent market volatility should be appropriately framed given the long-term nature of the Scheme, we accept that significant events should not be ignored, but the USS is very long term and care should be taken to apply appropriate weight to market fluctuations;
* Finally, the University would welcome engagement with USS regarding the accounting treatment of DRCs under FRS102.