

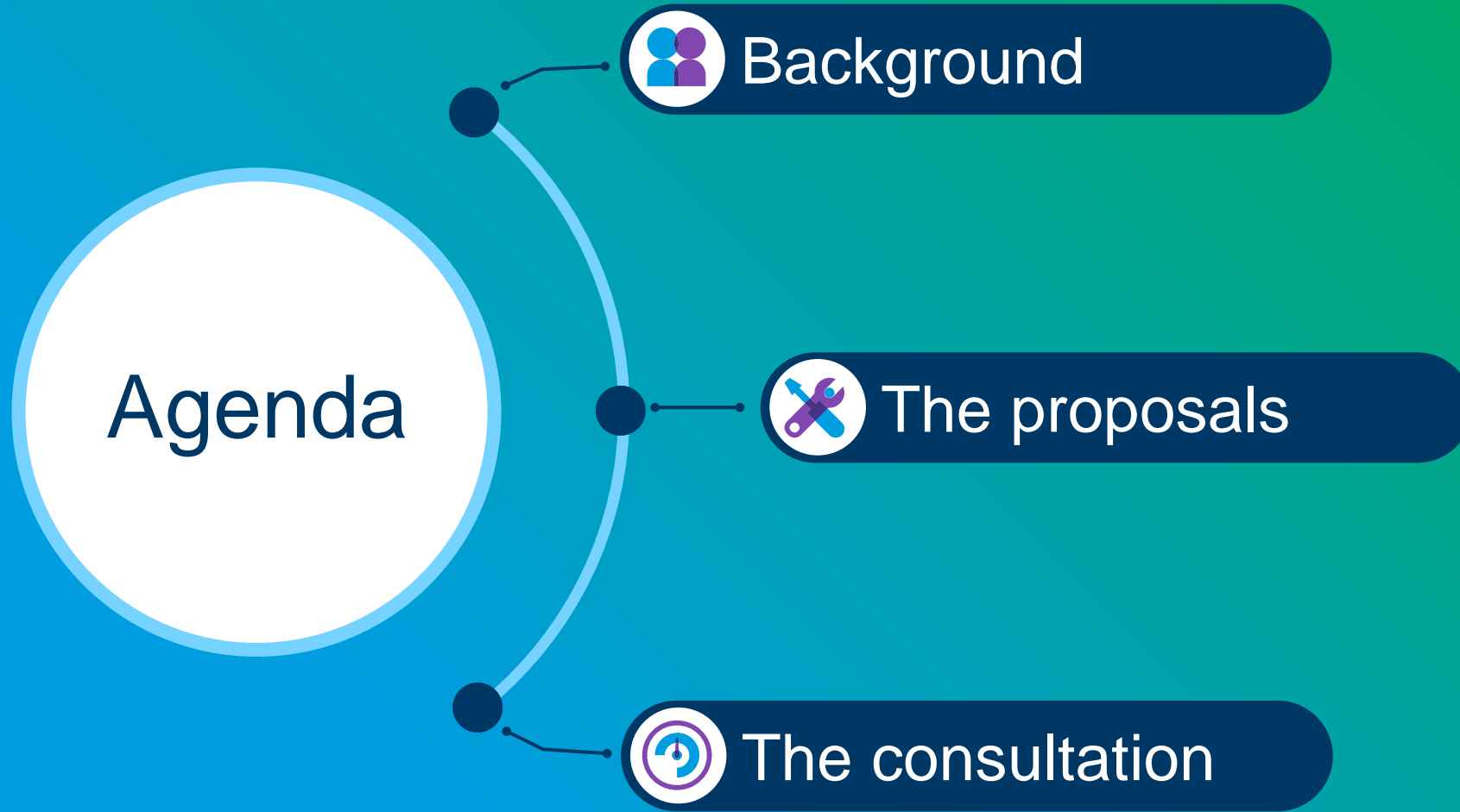


USS Valuation outcome

# Member consultation presentation



welcome to brighter



Background



The proposals



The consultation



# 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



Paid in addition to State Benefits



## Contributions to USS

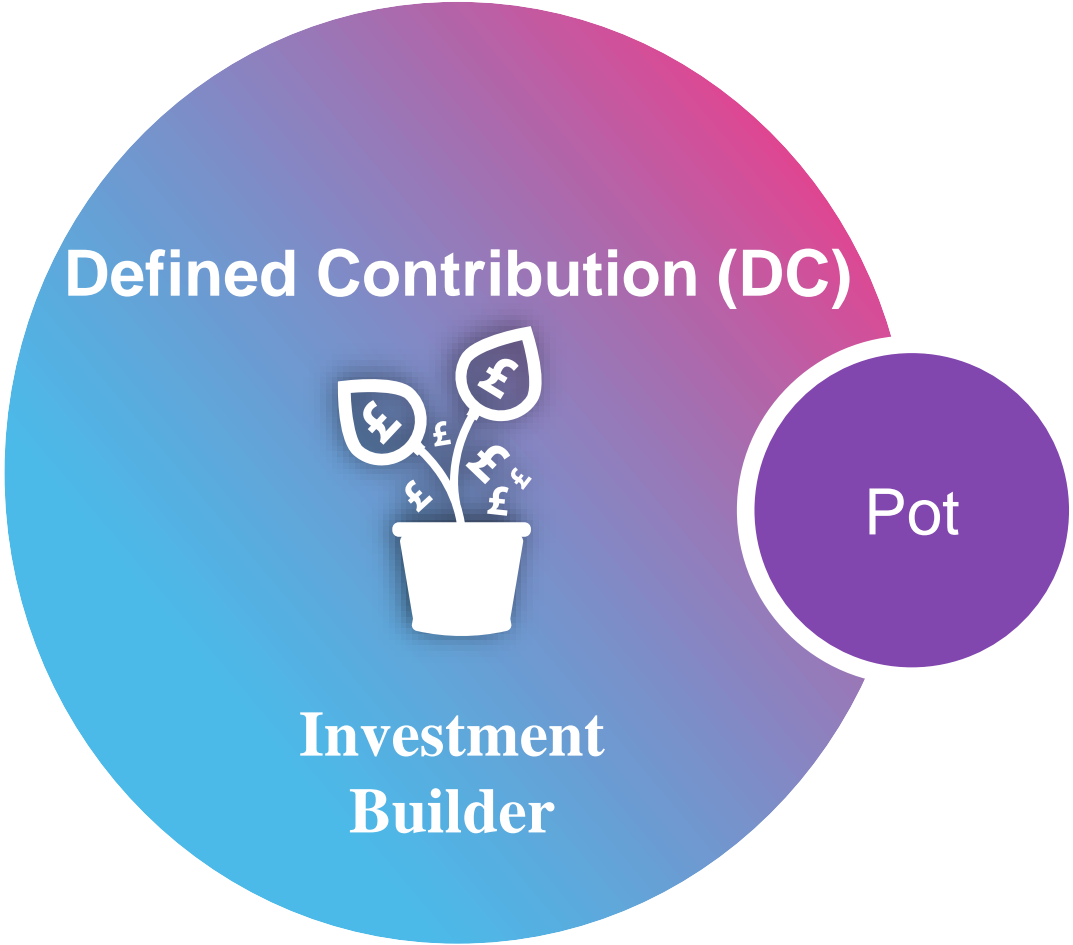
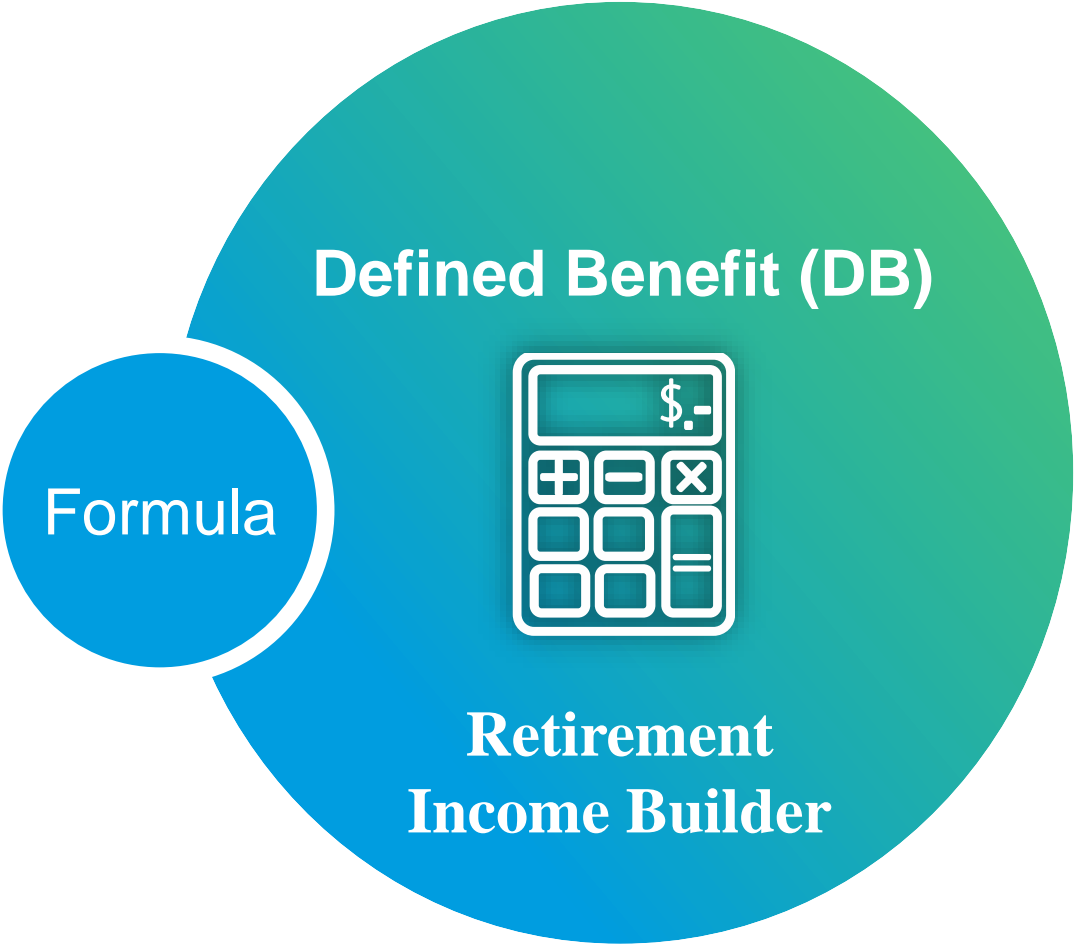


of your salary from  
**YOU**

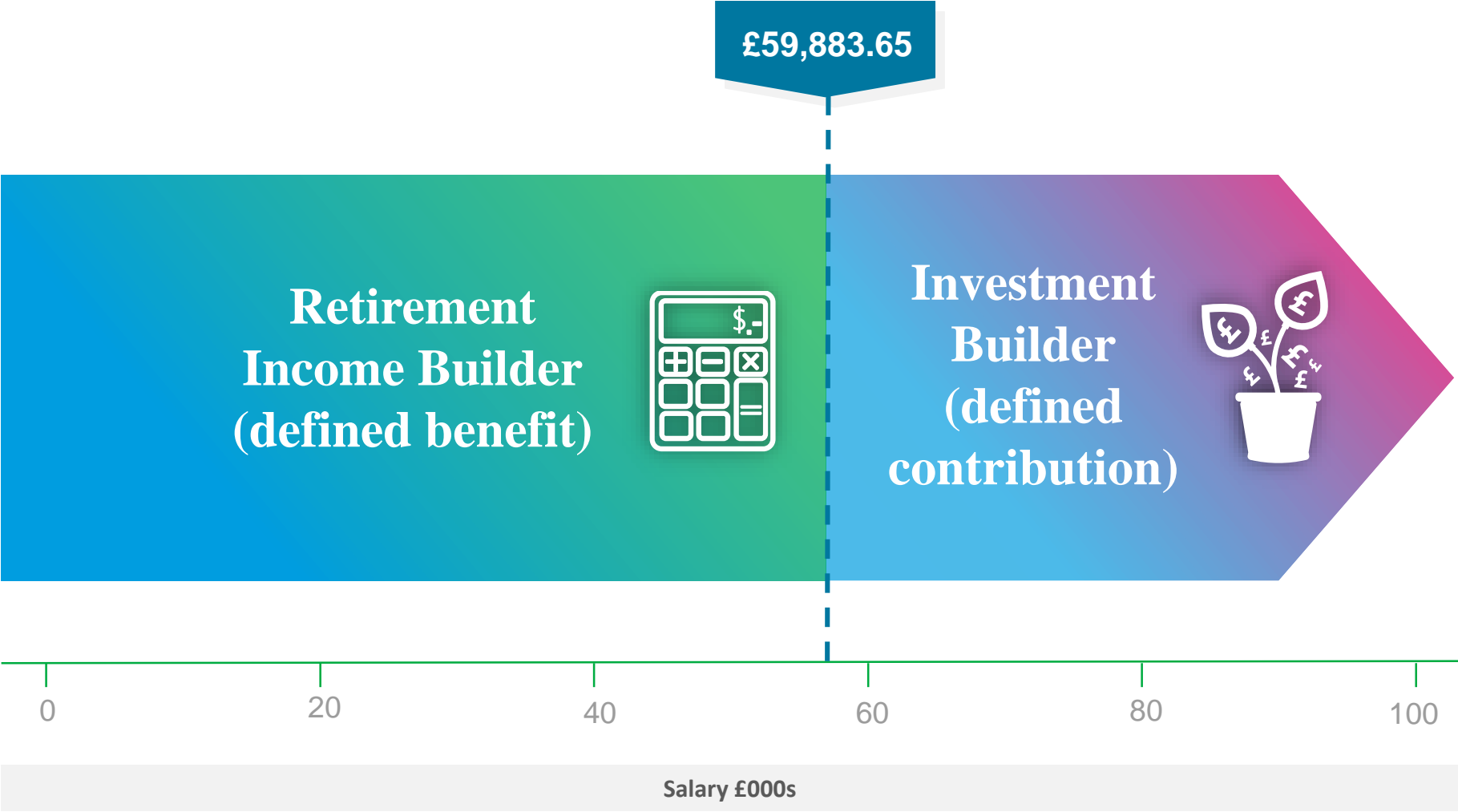


of your salary from your  
**EMPLOYER**

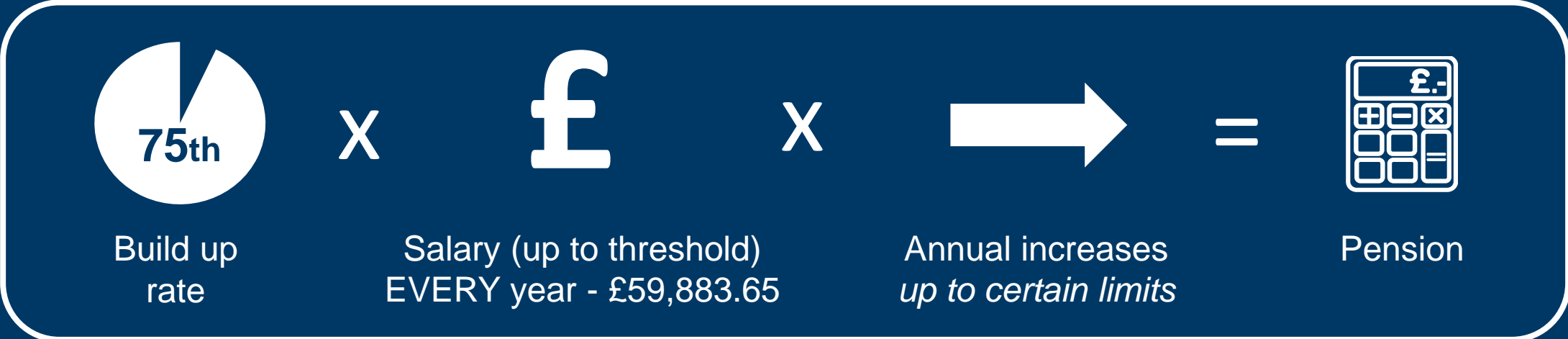
# Benefits in USS



# Benefits in USS



# Retirement Income Builder – defined benefit





# Investment Builder – defined contribution



8%

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

+

12%

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%**

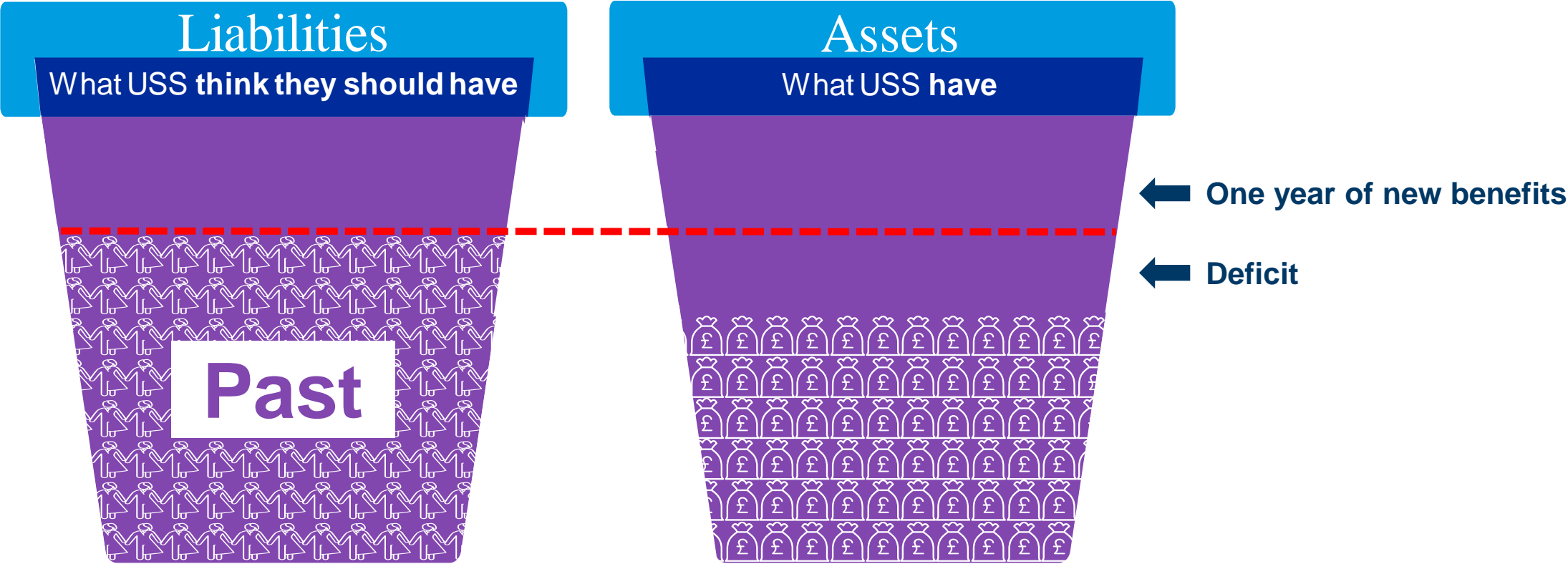
**Annual increases**

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

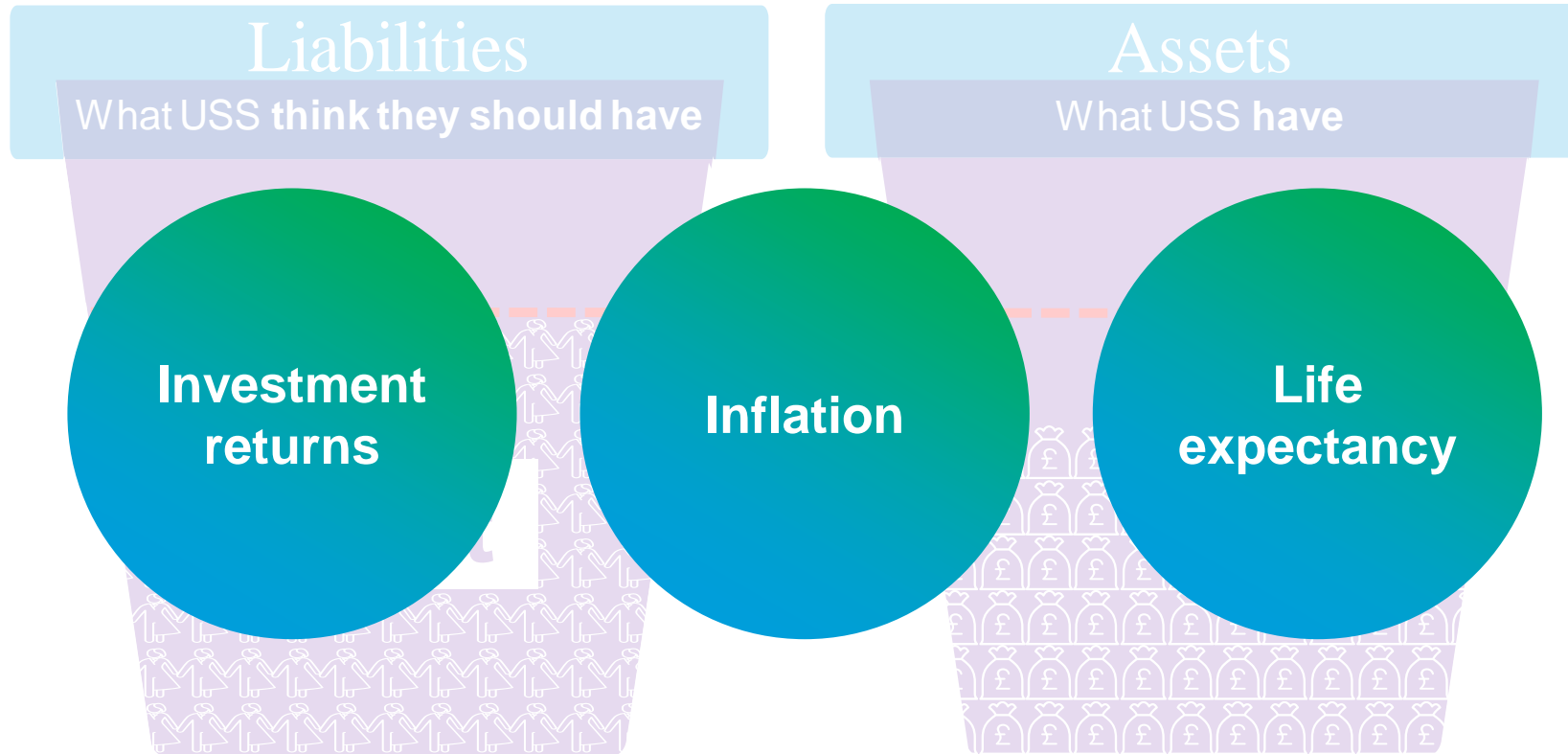
**CPI up to certain limits**

Salary £000s

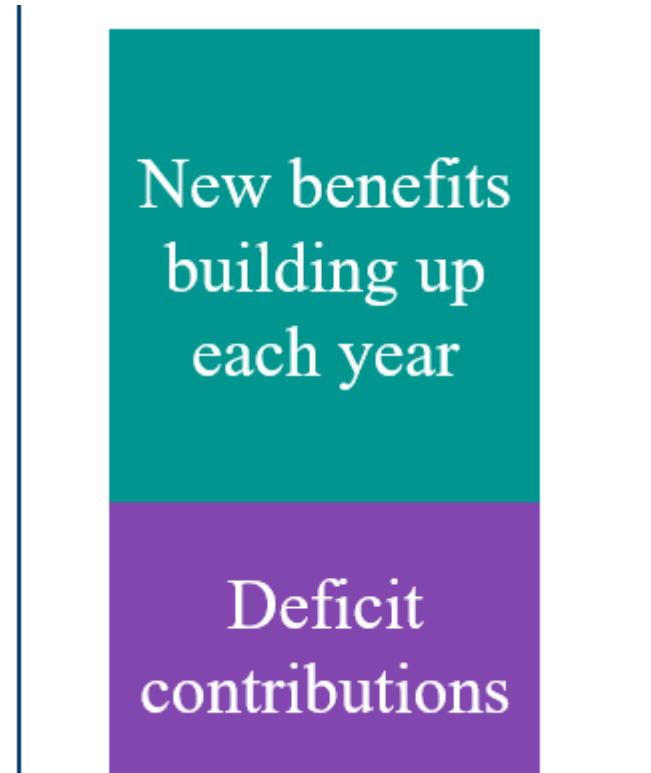
# Valuation



# Valuation



## % Contribution rate



# Different parties involved



Ensures benefits paid and does calculations



On behalf of employers



On behalf of members

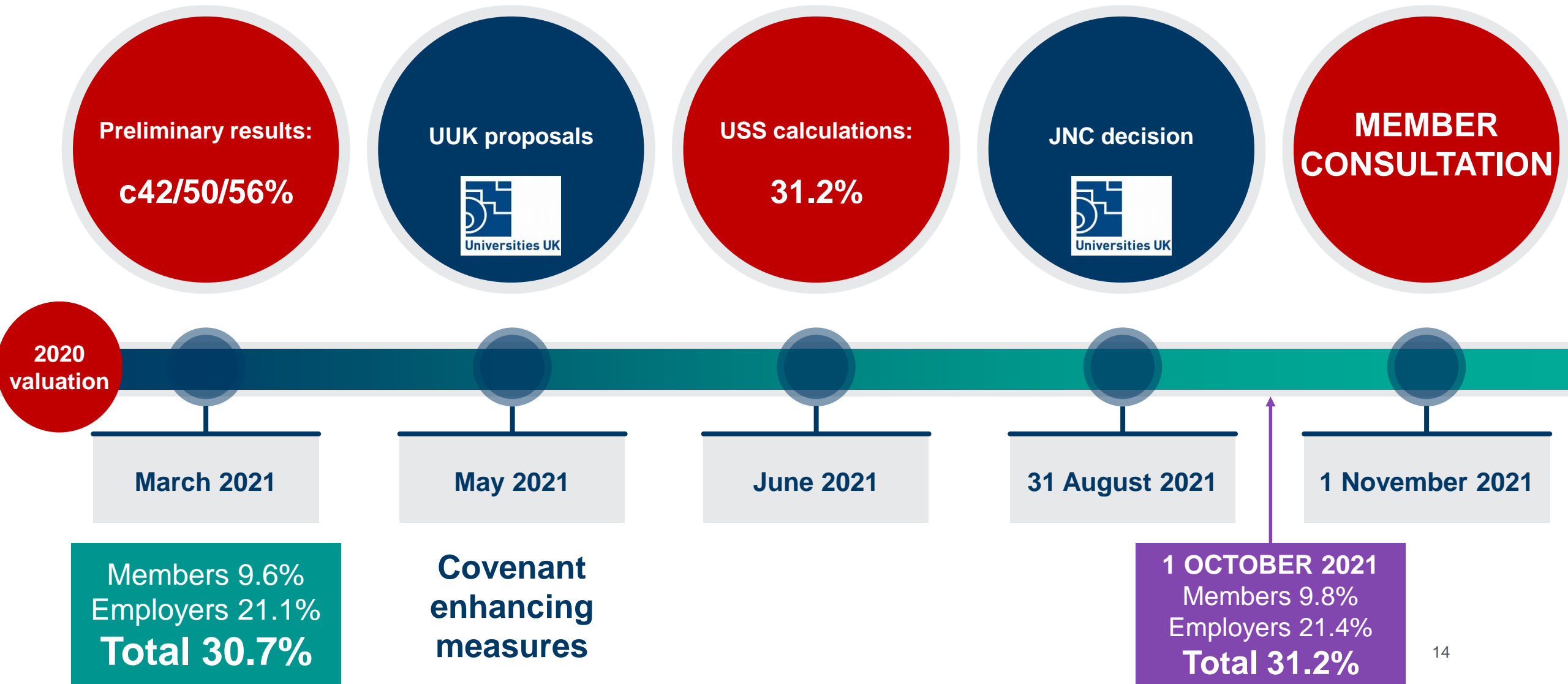


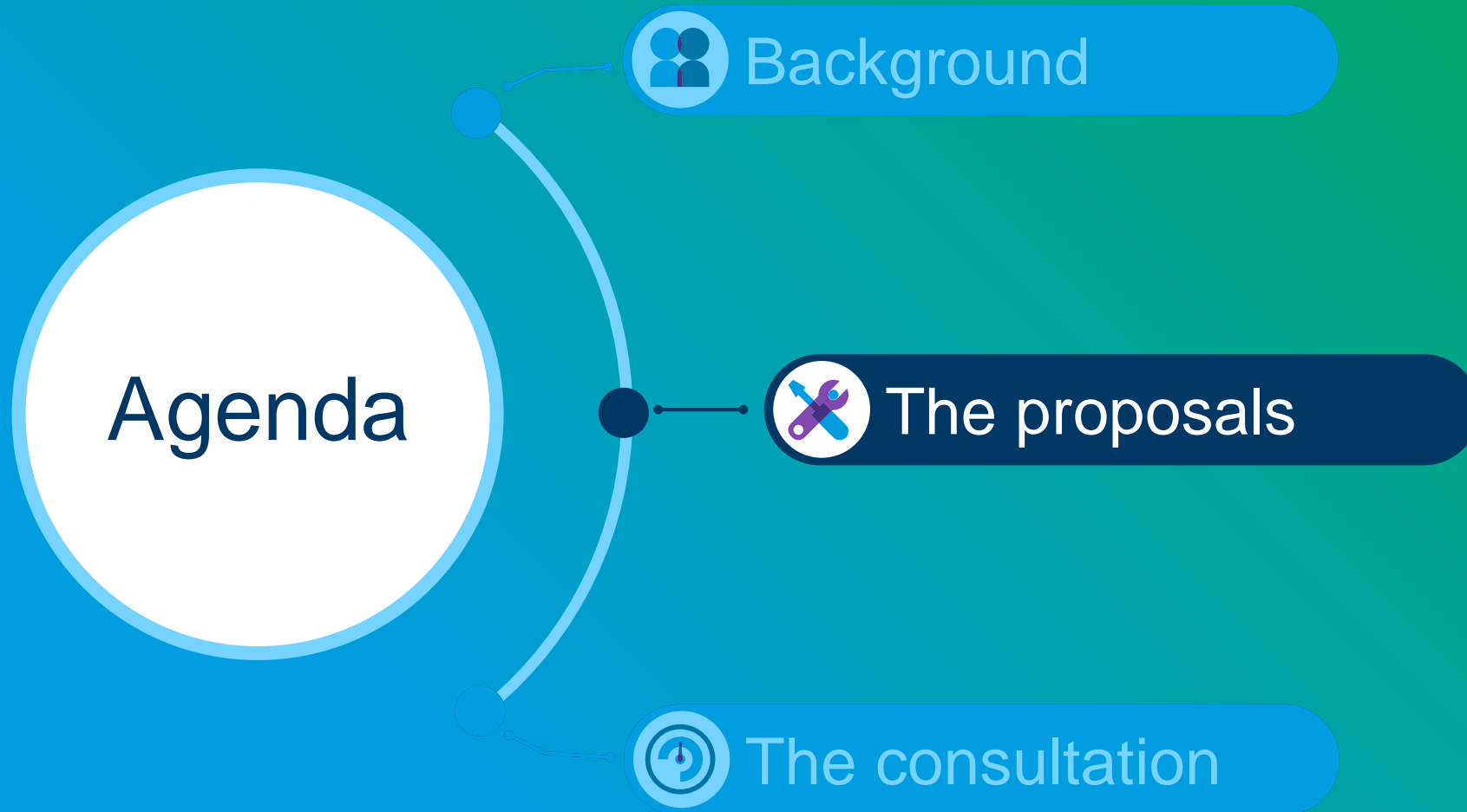
Requires schemes funded properly



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 'Log in' button is visible in the top right corner. Below the navigation bar, a welcome message reads: 'Welcome to ussconsultation2021.co.uk. See how the proposed scheme changes may affect you. Find out about the consultation process and submit your response to the proposals.' To the right of this message, there is a section for 'Existing/active member' with a 'Log in' button, and a section for 'If you aren't a current USS member, or can't log in' with a 'Register' button. Below these sections, there is a grid of six main navigation items: Summary, Proposals, Modeller, Supporting Information (marked as NEW), FAQs (marked as NEW), and Respond. Each item includes a brief description and a 'Read more' or 'View documents' button.

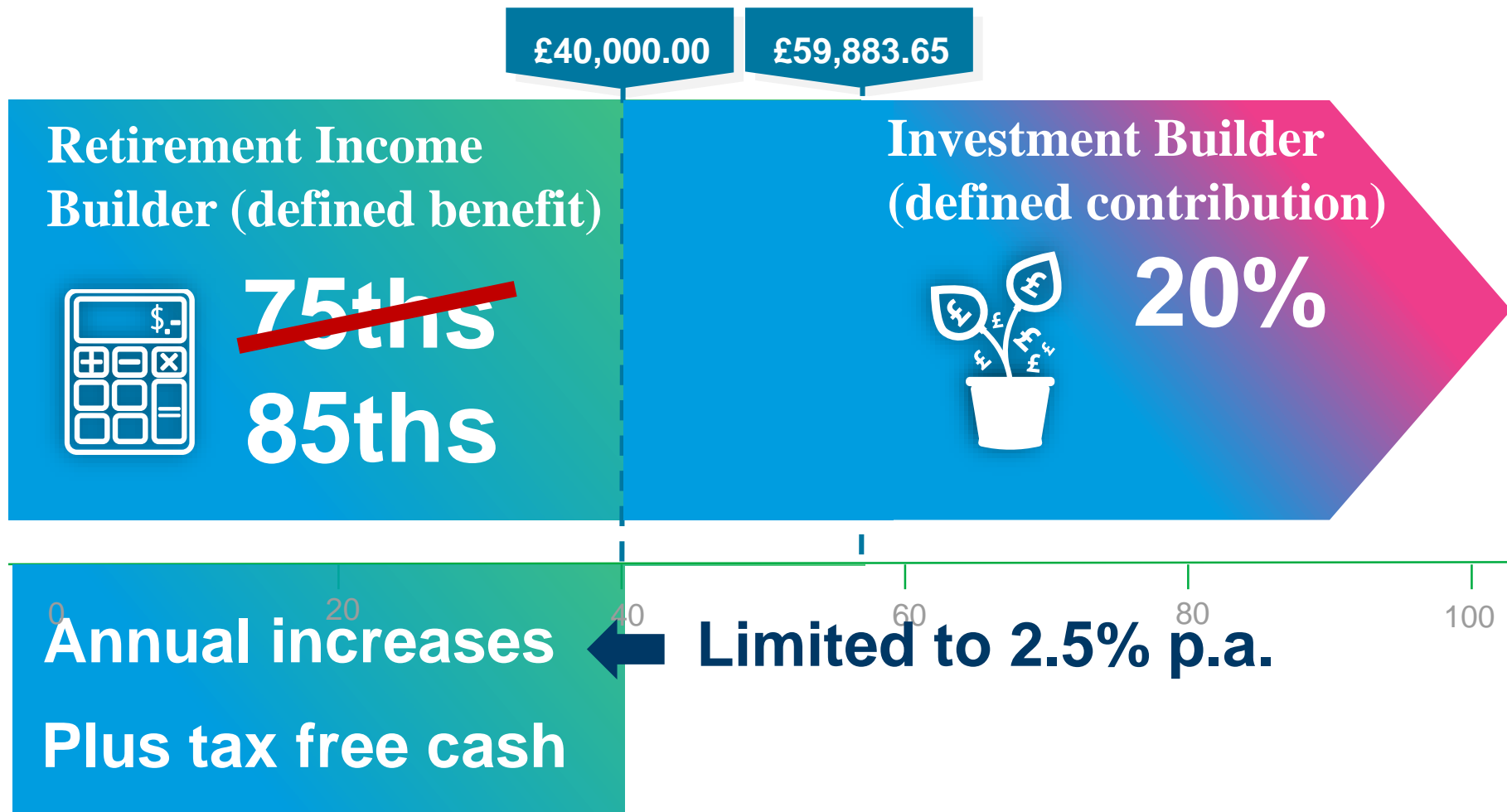
## WARNING

The material that follows is our interpretation of the proposals.

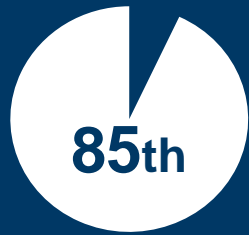
If there is a discrepancy between the information in this presentation and that provided by USS, the USS information is correct.



# 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**

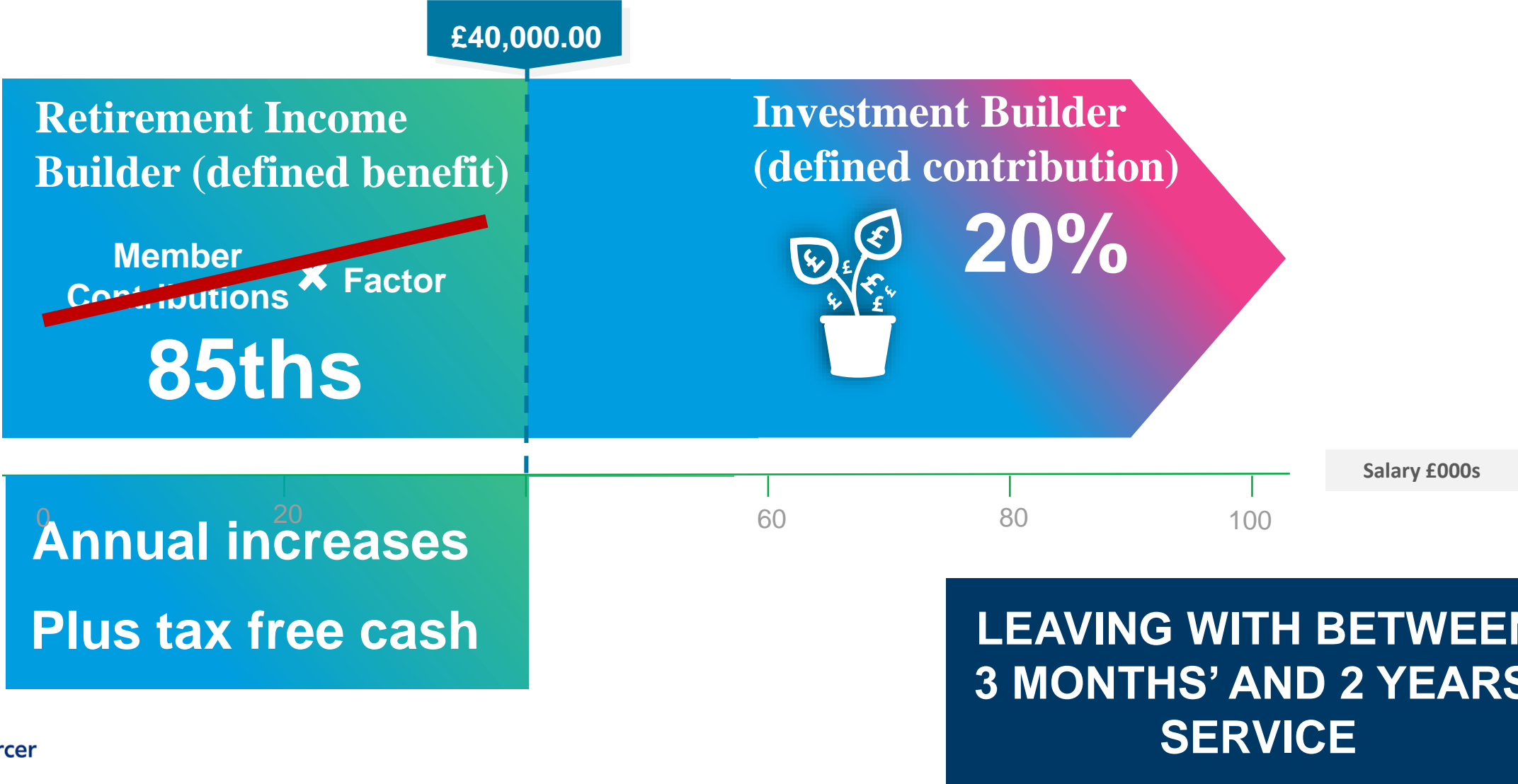
+

12%

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

= 20%

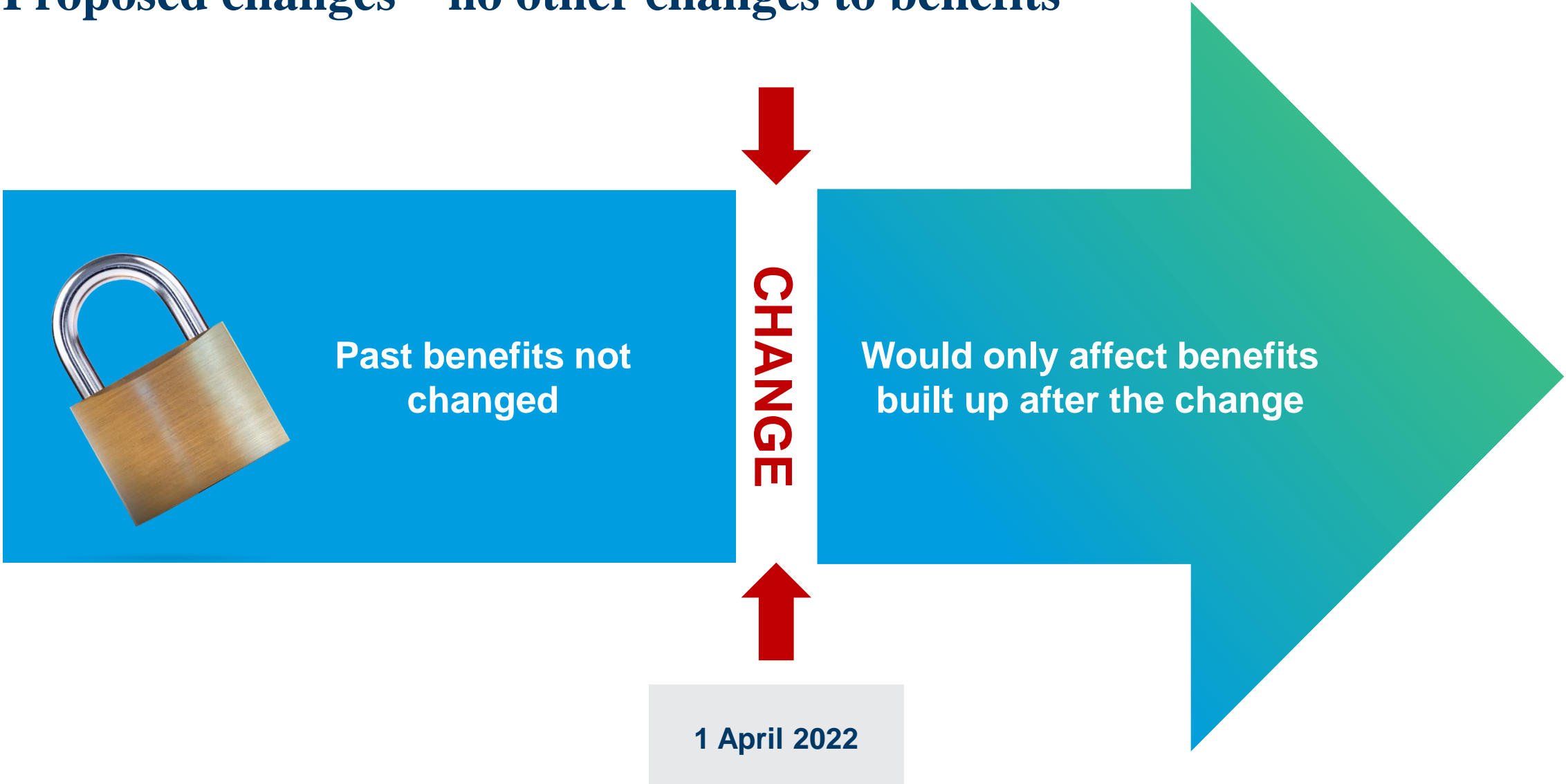
# Proposed package of benefit changes from 1 April 2022 – short service



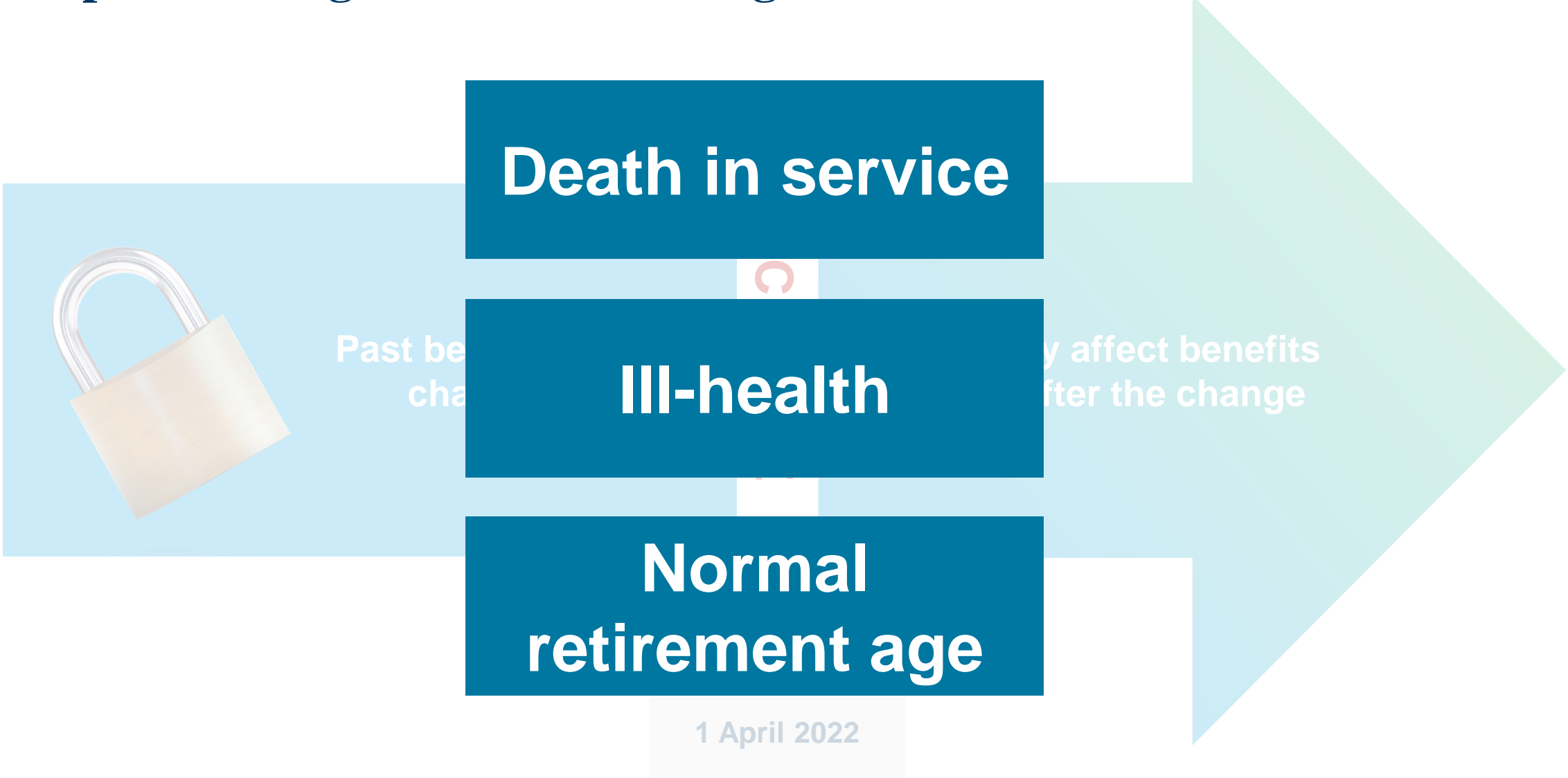
## The fall-back position if no changes are made to the scheme

	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





 Background

 The proposals

 The consultation

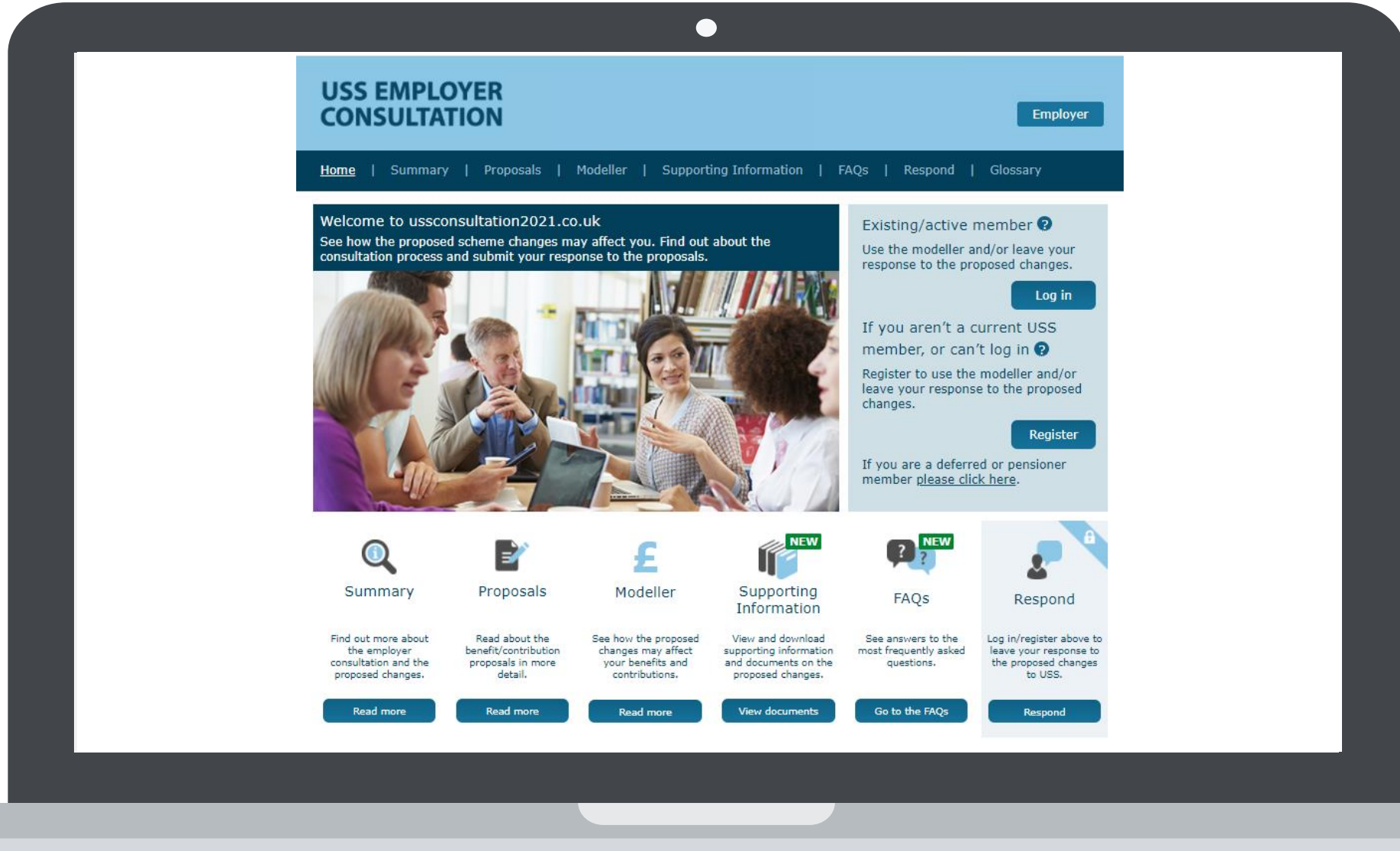


# Consultation website

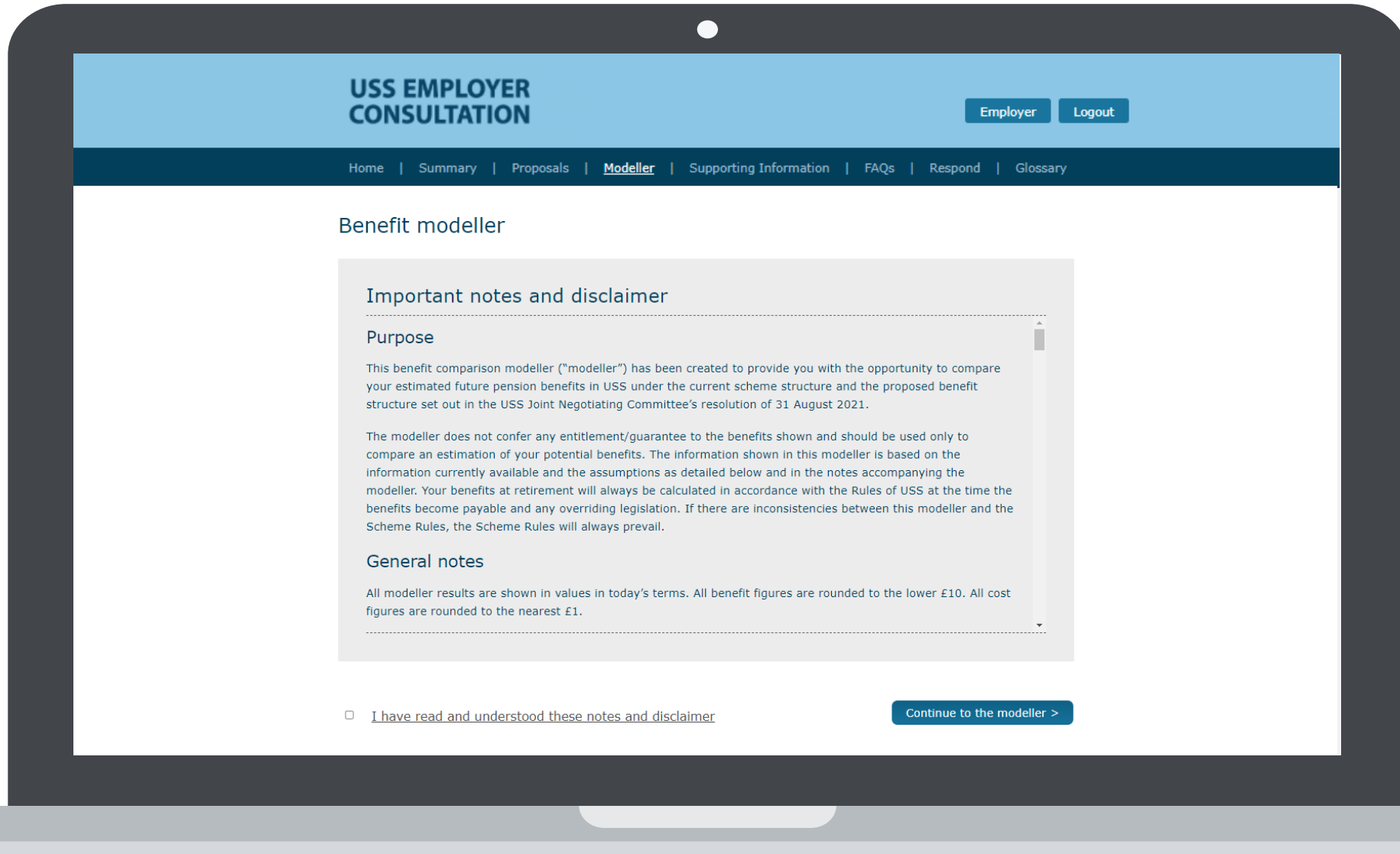


[www.ussconsultation2021.co.uk](http://www.ussconsultation2021.co.uk)

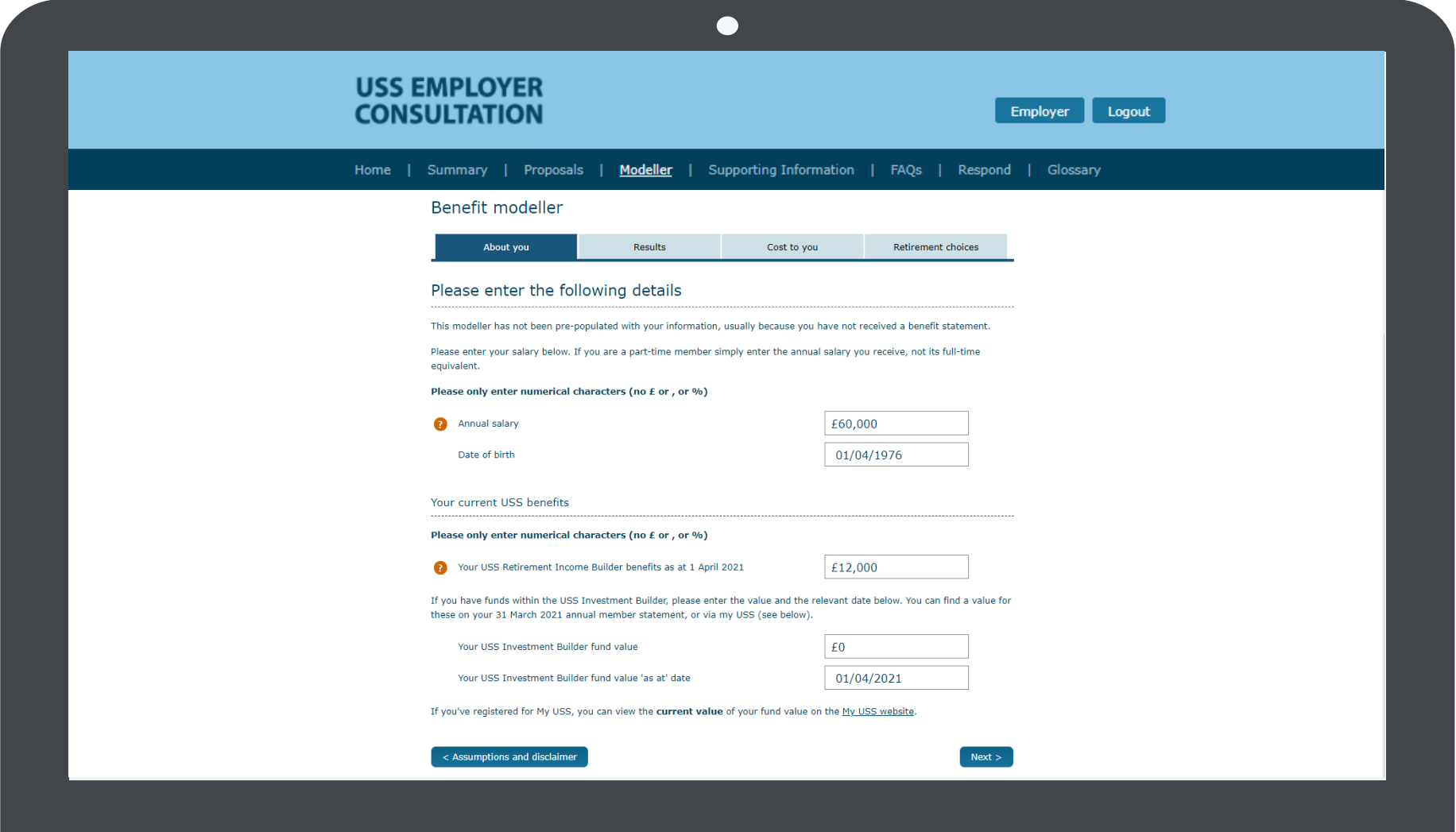
# Consultation website



# Consultation website – Modeller



# Consultation website – Modeller



# Consultation website – Modeller

**USS EMPLOYER CONSULTATION**

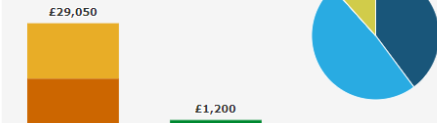



Employer
Logout

[Home](#) | 
 [Summary](#) | 
 [Proposals](#) | 
 [Modeller](#) | 
 [Supporting Information](#) | 
 [FAQs](#) | 
 [Respond](#) | 
 [Glossary](#)

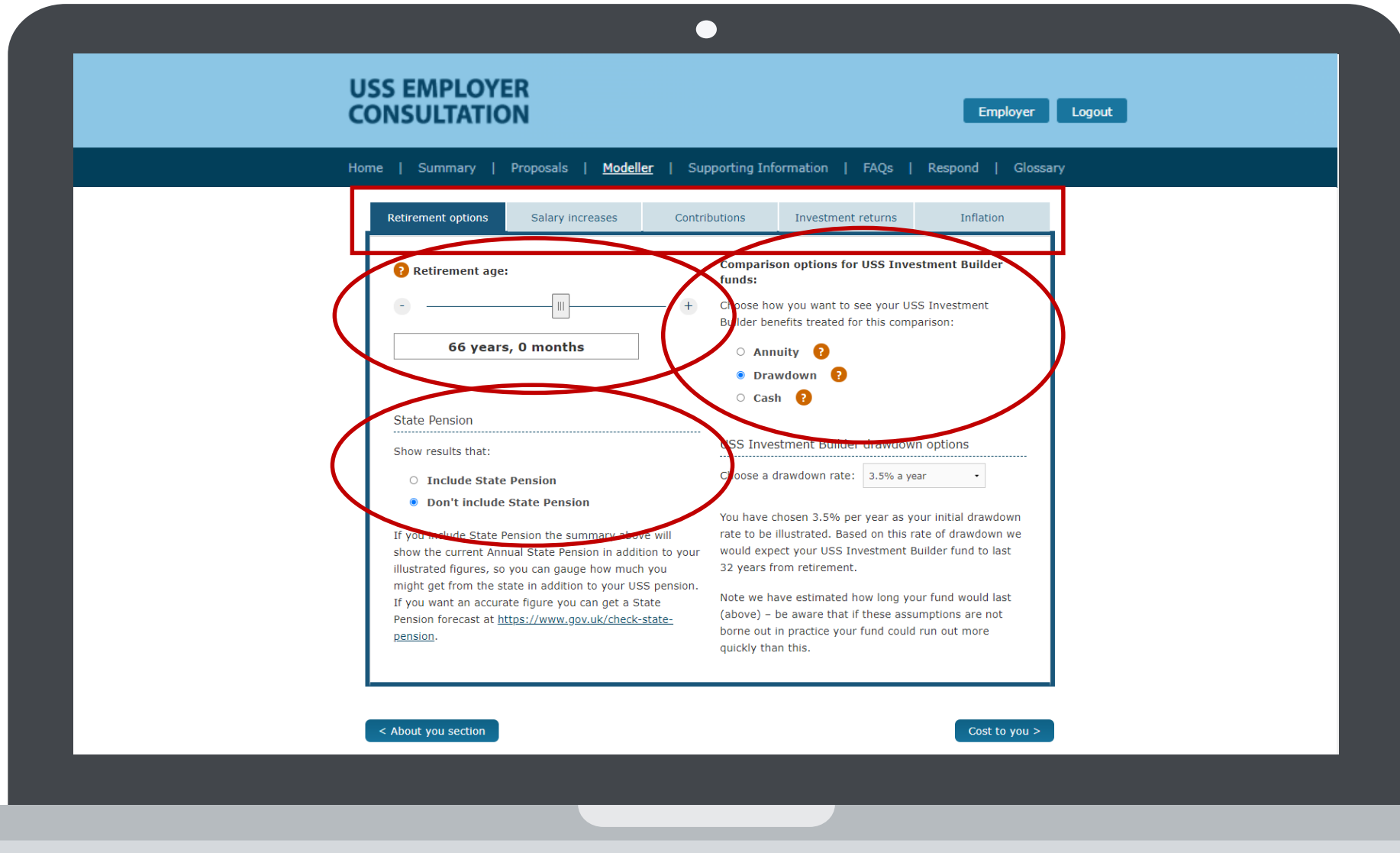
## Benefit modeller

About you
Results
Cost to you
Retirement choices

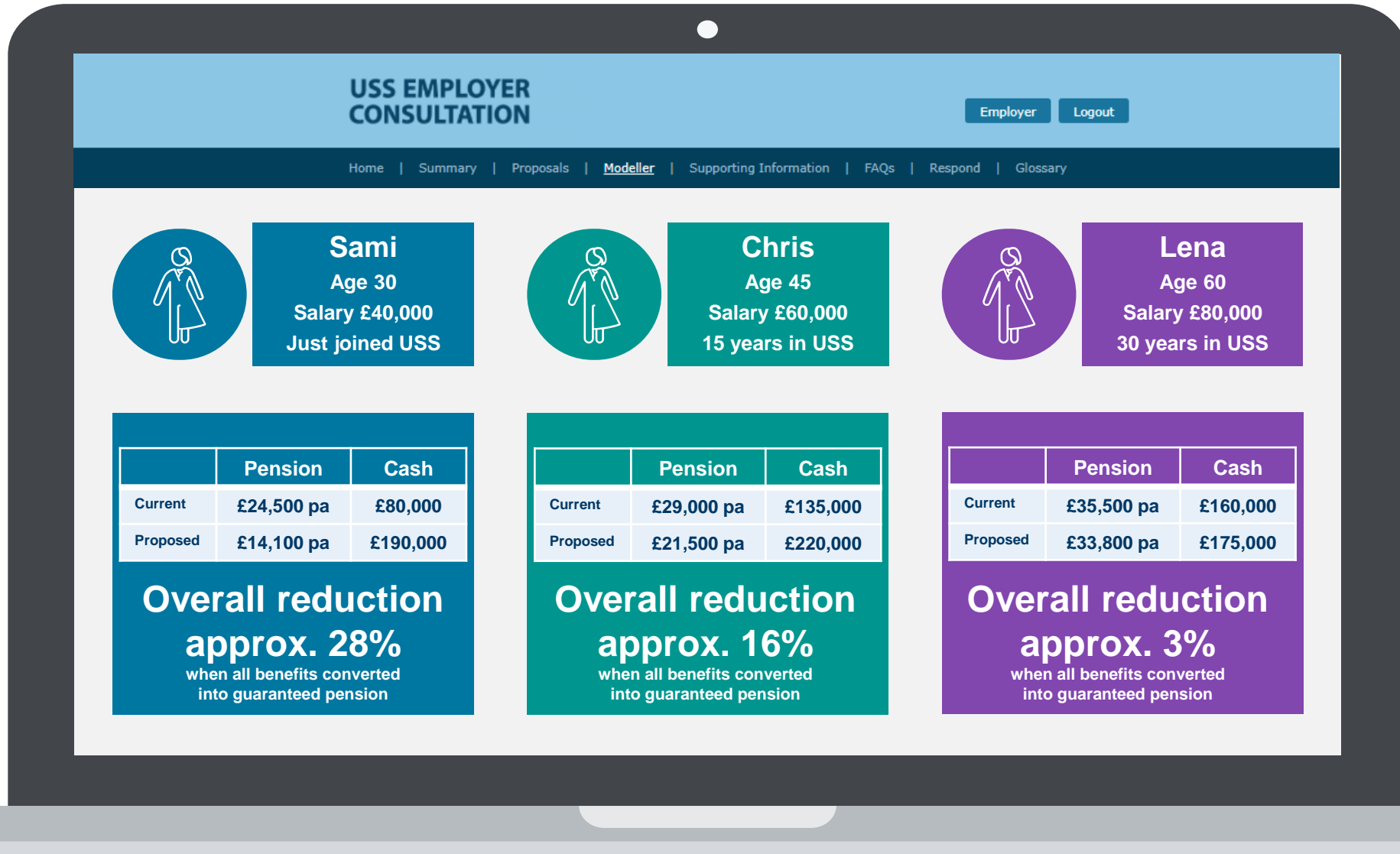
Your estimated results are shown below. You can view the results under different scenarios by using the sliders at the bottom of the page. Print

Current benefit structure			Proposed benefit structure		
 <p style="margin: 0;">Pension of <b>£29,050 p.a.</b></p> <p style="margin: 0;">Drawdown of <b>£1,200 p.a.</b></p>	 <p style="margin: 0;">Lump sum of <b>£98,700</b></p>		 <p style="margin: 0;">Pension of <b>£21,450 p.a.</b></p> <p style="margin: 0;">Drawdown of <b>£4,040 p.a.</b></p>	 <p style="margin: 0;">Lump sum of <b>£102,930</b></p>	
Total: <b>£30,250 p.a.</b> After 20 years in retirement this would be worth <b>£30,250 p.a.</b> in 'todays terms'.			Total: <b>£25,490 p.a.</b> After 20 years in retirement this would be worth <b>£24,710 p.a.</b> in 'todays terms'.		
<b>Annual income breakdown</b>		<b>Lump sum breakdown</b>			
Total annual income <b>£30,250 p.a.</b>		Total lump sum <b>£98,700</b>			
<b>Annual income breakdown</b>		<b>Lump sum breakdown</b>			
Total annual income <b>£25,490 p.a.</b>		Total lump sum <b>£102,930</b>			

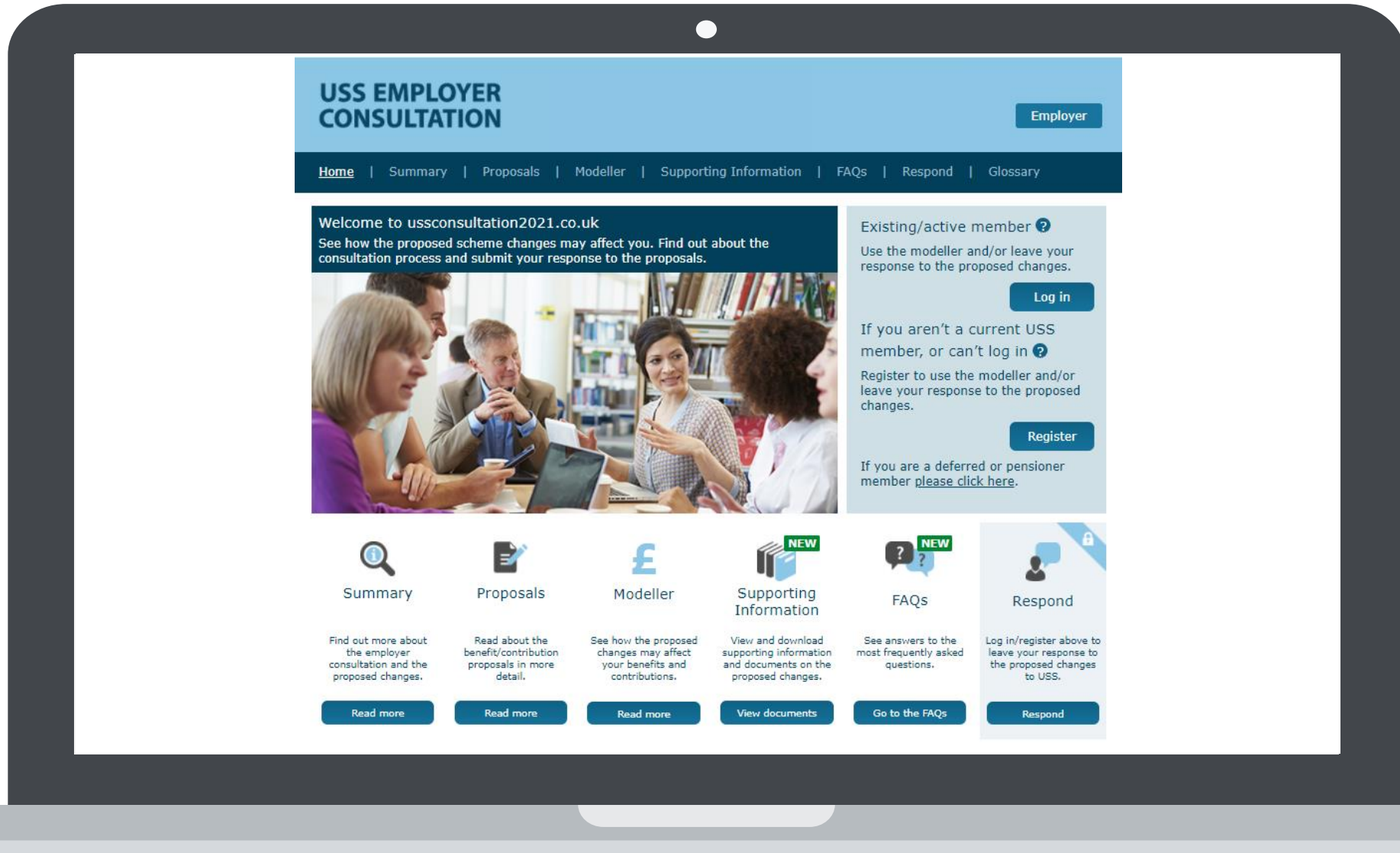
# Consultation website – Modeller



# Consultation website – Modeller



# Consultation website – Responding to the consultation





# Consultation website – Responding to the consultation

The screenshot shows a web browser window with a dark blue navigation bar at the top containing links: Home | Summary | Proposals | Modeller | Supporting Information | FAQs | **Respond** | Glossary. Below the navigation bar, the page title is "Respond". In the top right corner, there are language selection options: a Welsh flag icon followed by "Welsh" and a UK flag icon followed by "English". A light blue information box contains an information icon (i) and 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:

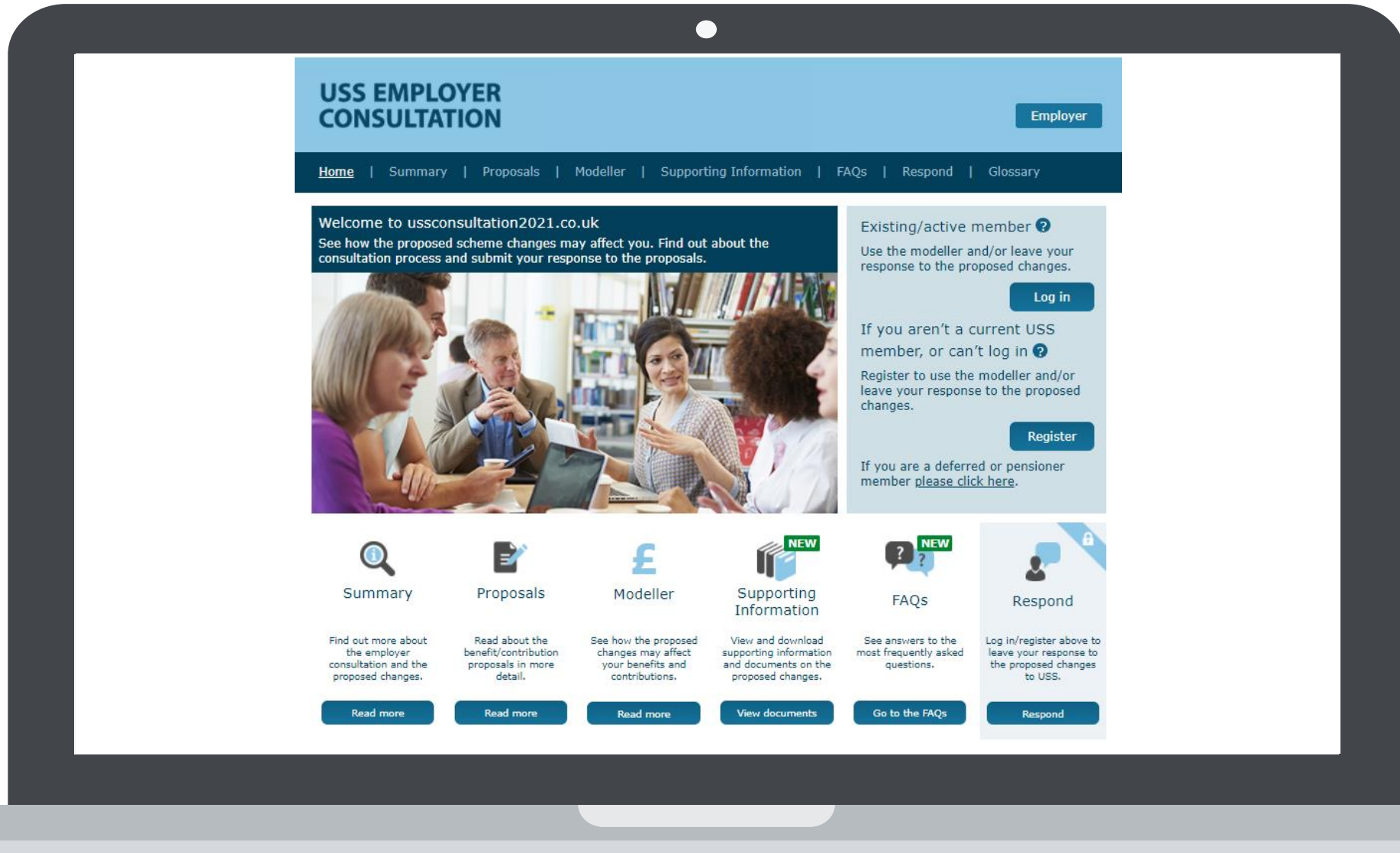
- The specific proposals**
- Fall-back position**
- Low cost options**

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

**Member consultation**



**Consultation ends**

**Responses considered**  
**Final position communicated**

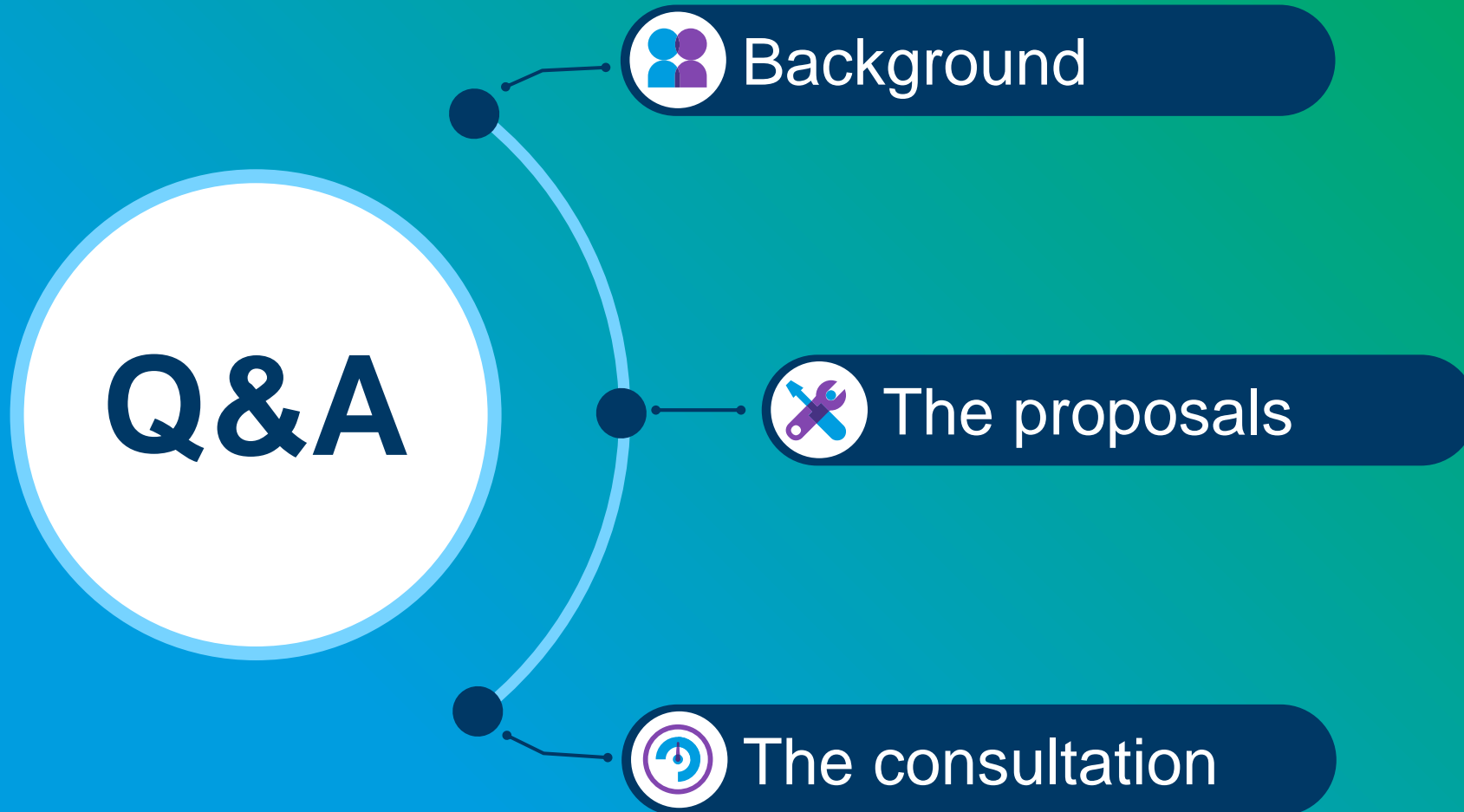
**Earliest date for any changes**

**1 November 2021**

**17 January 2022**

**28 February 2022**  
**Fall-back deadline**

**1 April 2022**



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## Warning

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