

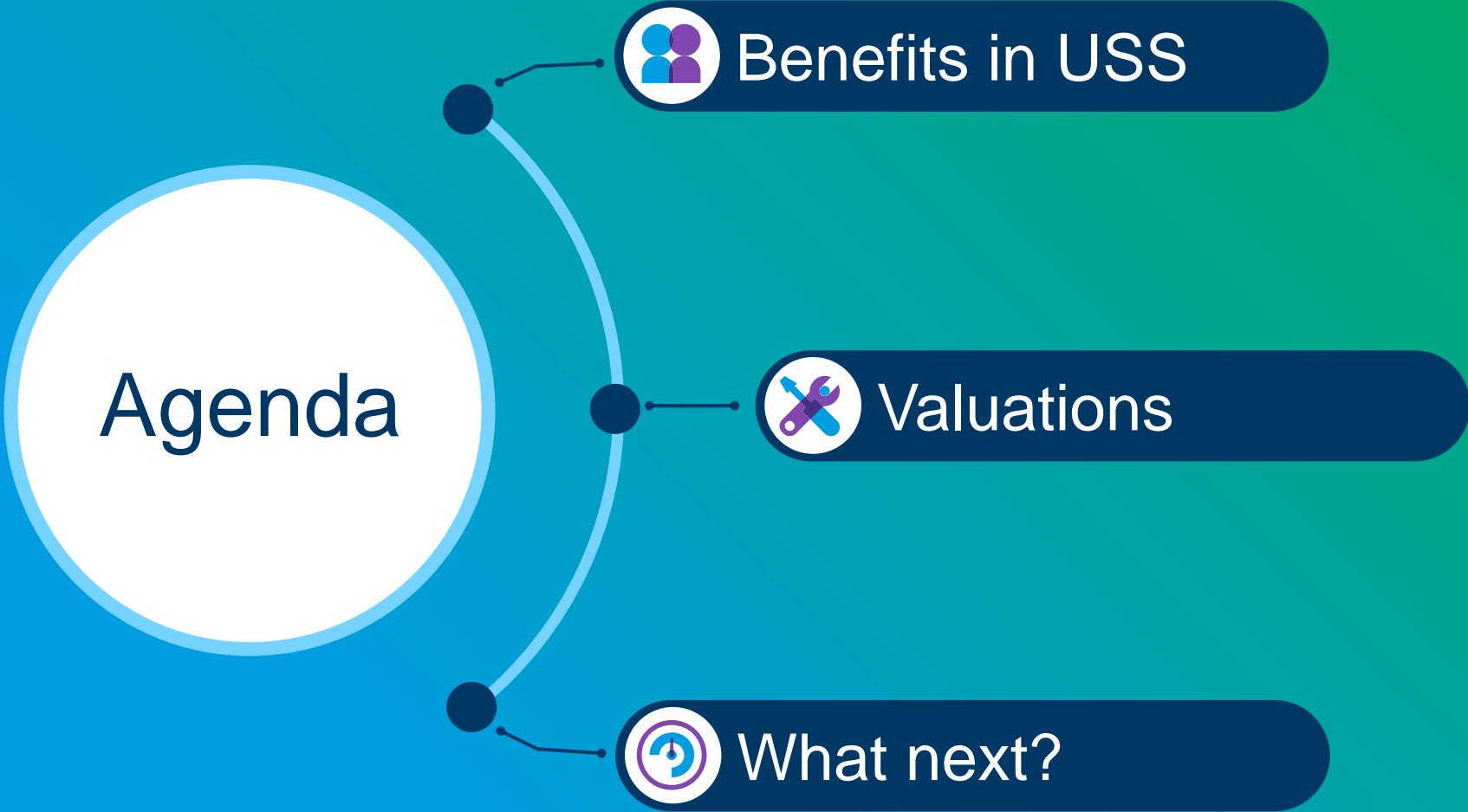
USS

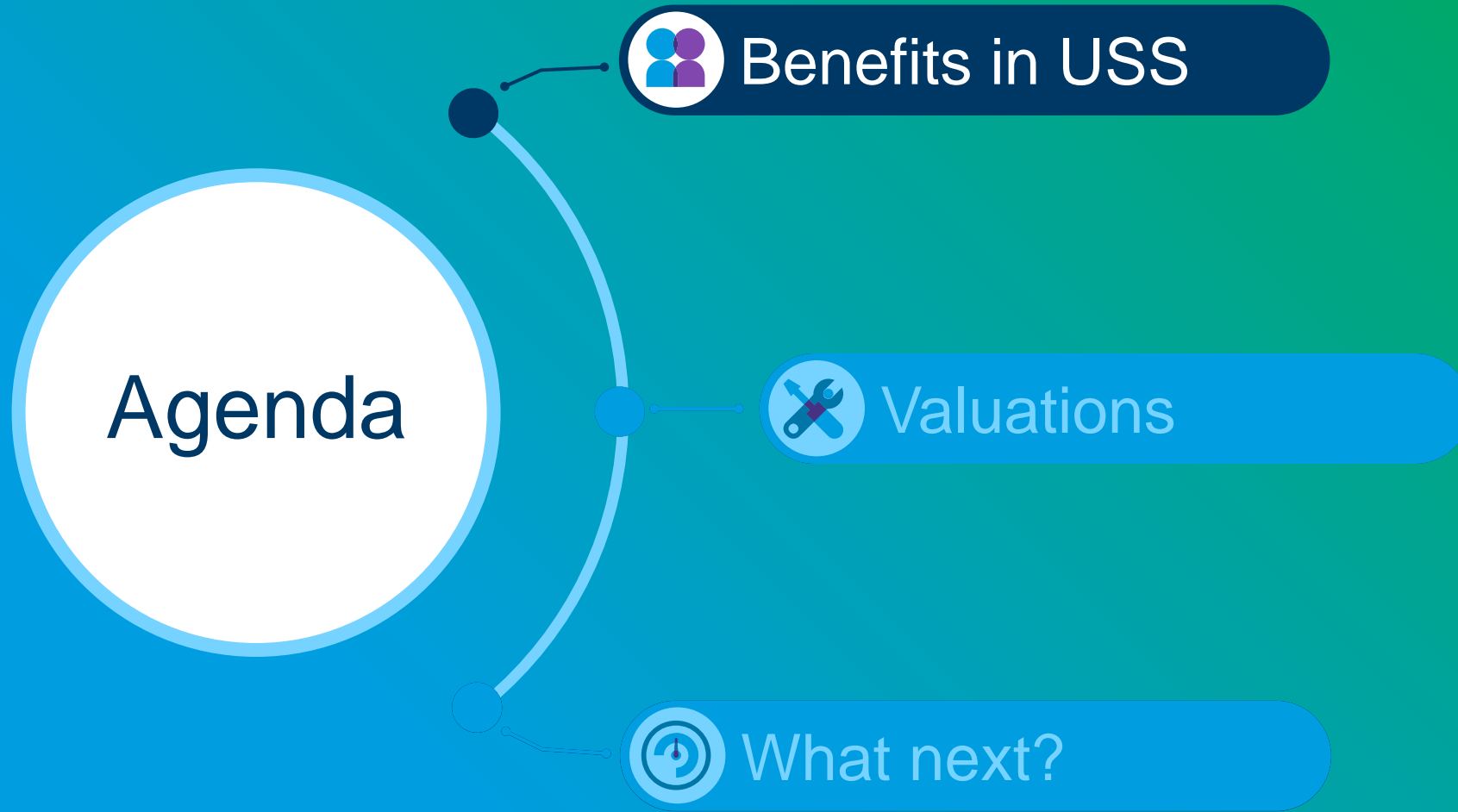
The current situation

Rebecca Dodd, Mercer

welcome to brighter







Agenda



Benefits in USS



Valuations



What next?

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

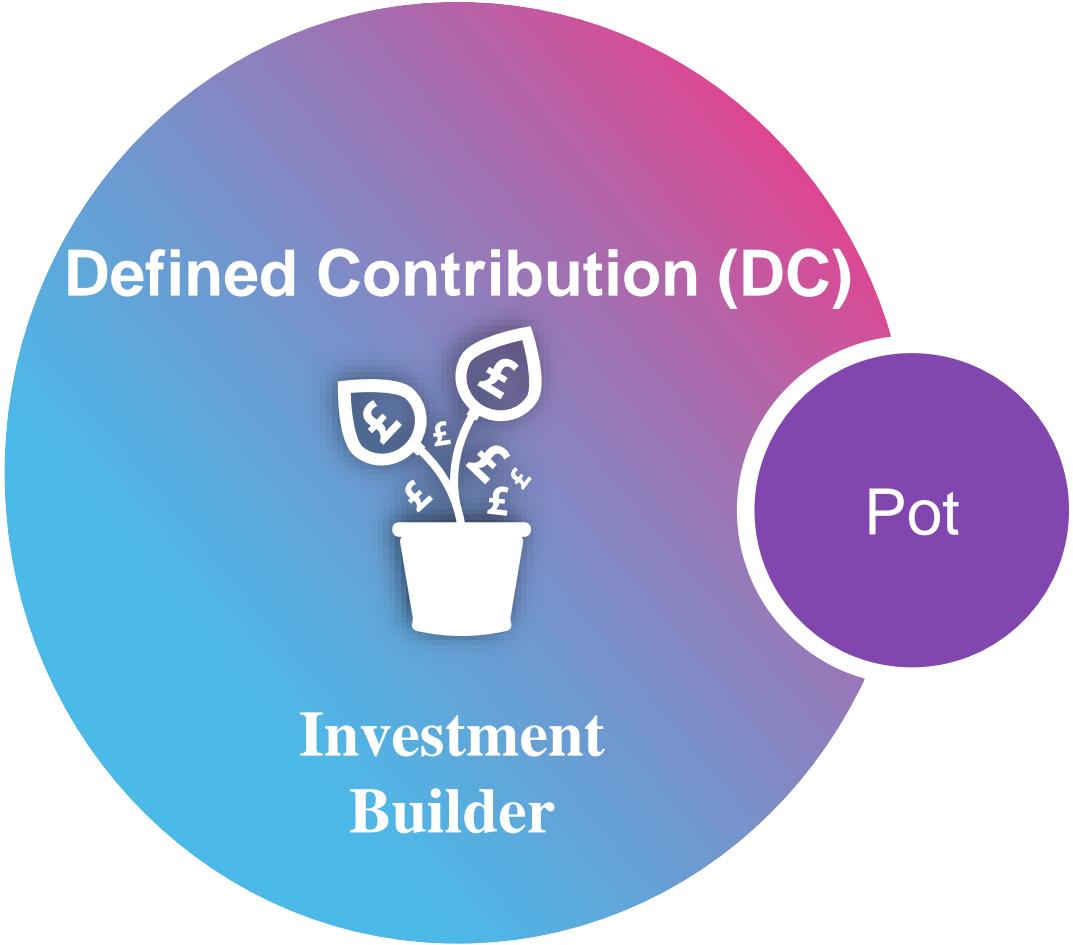
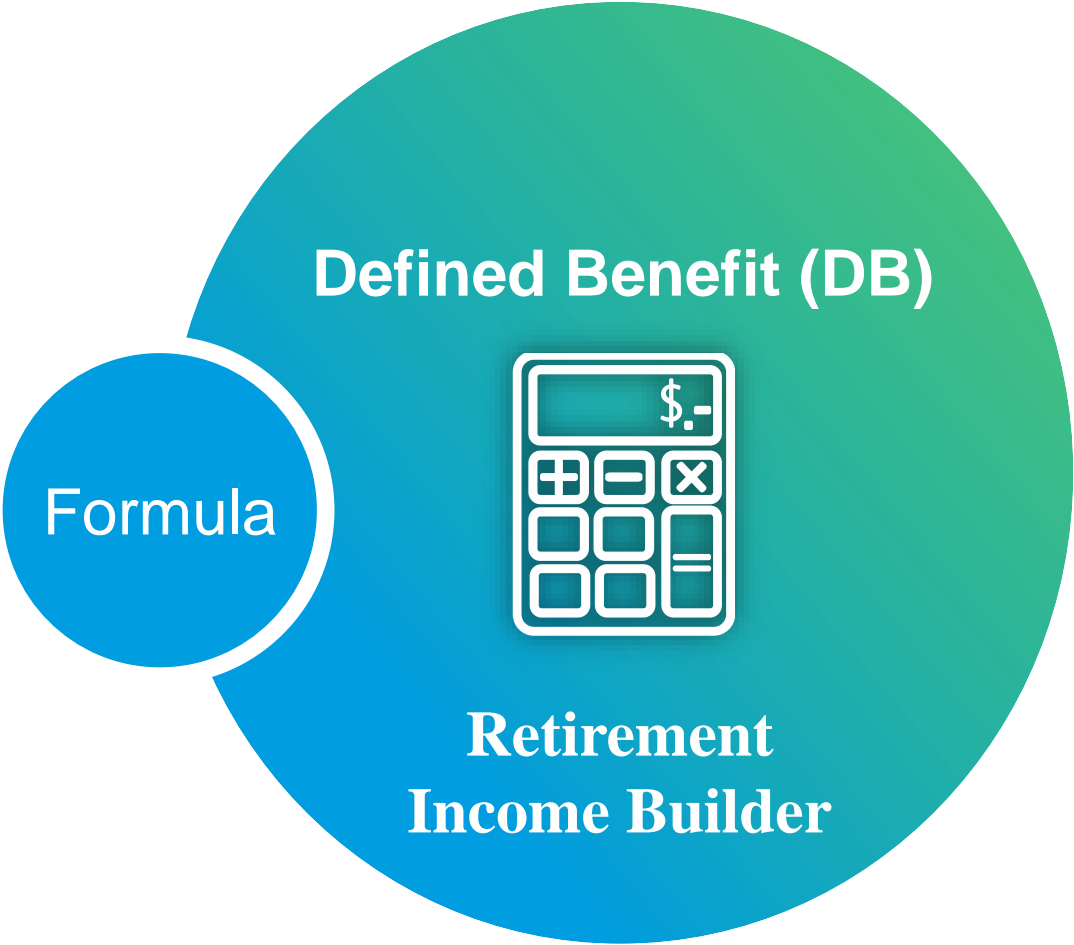


of your salary from
YOU

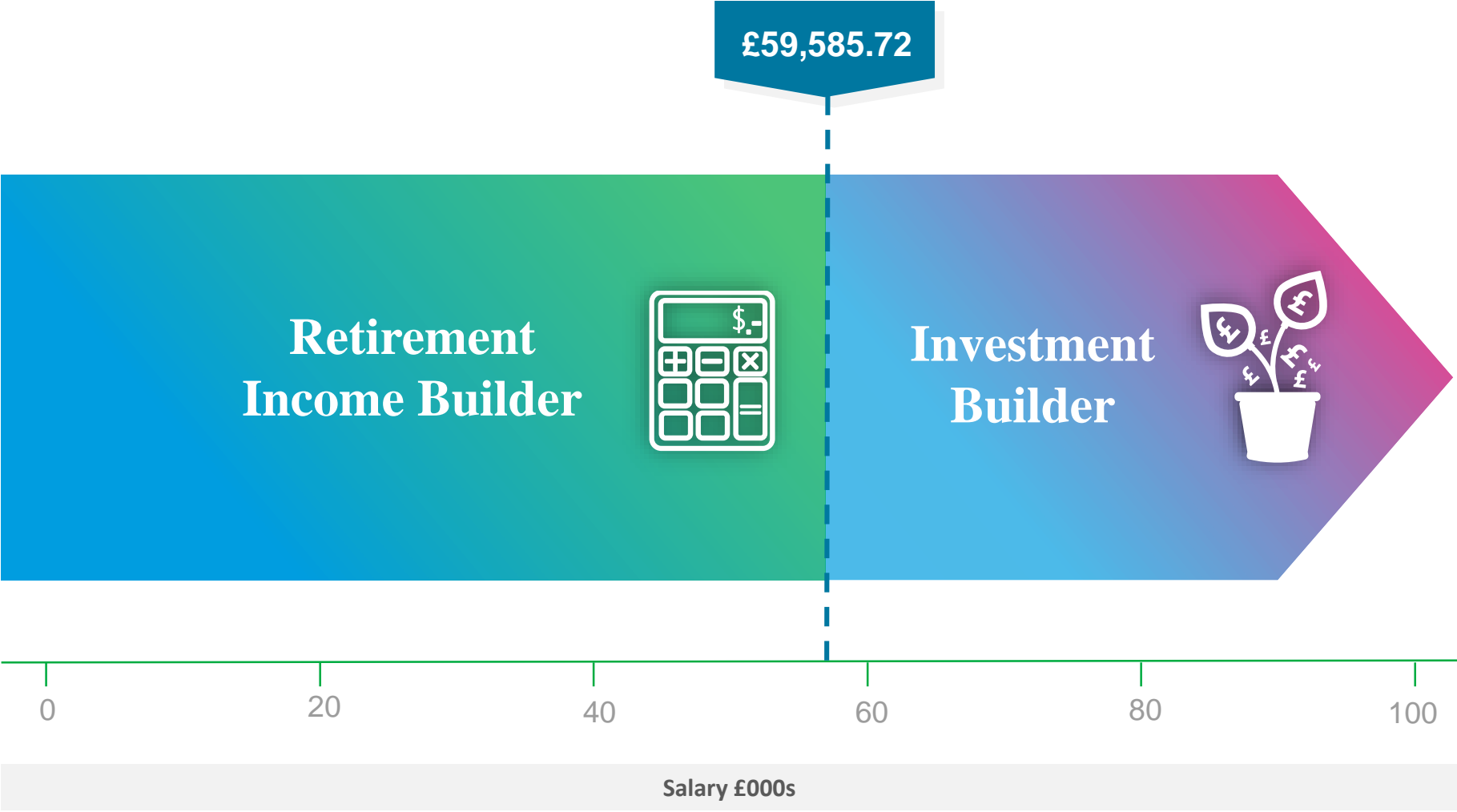


of your salary from the
UNIVERSITY

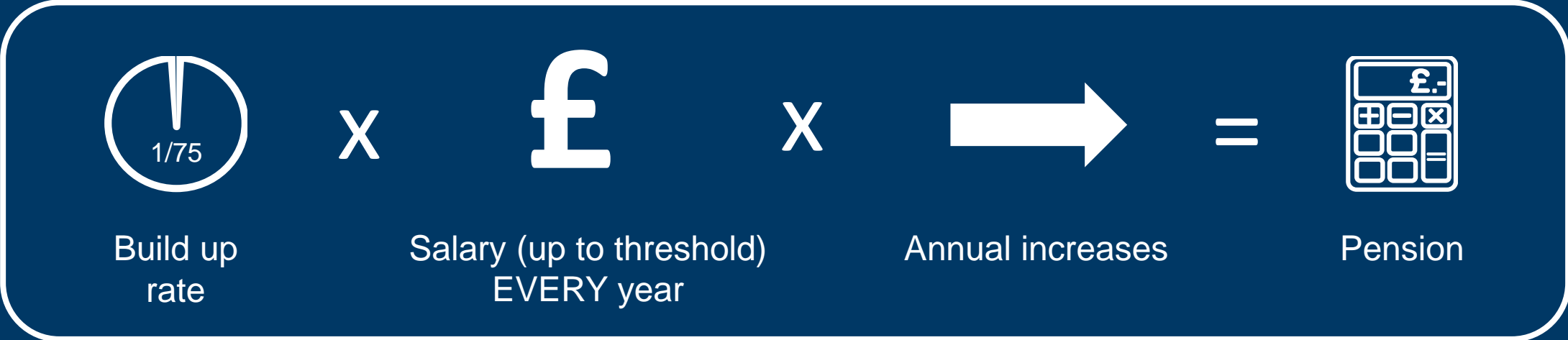
Benefits in USS



Benefits in USS



Retirement Income Builder



Investment Builder



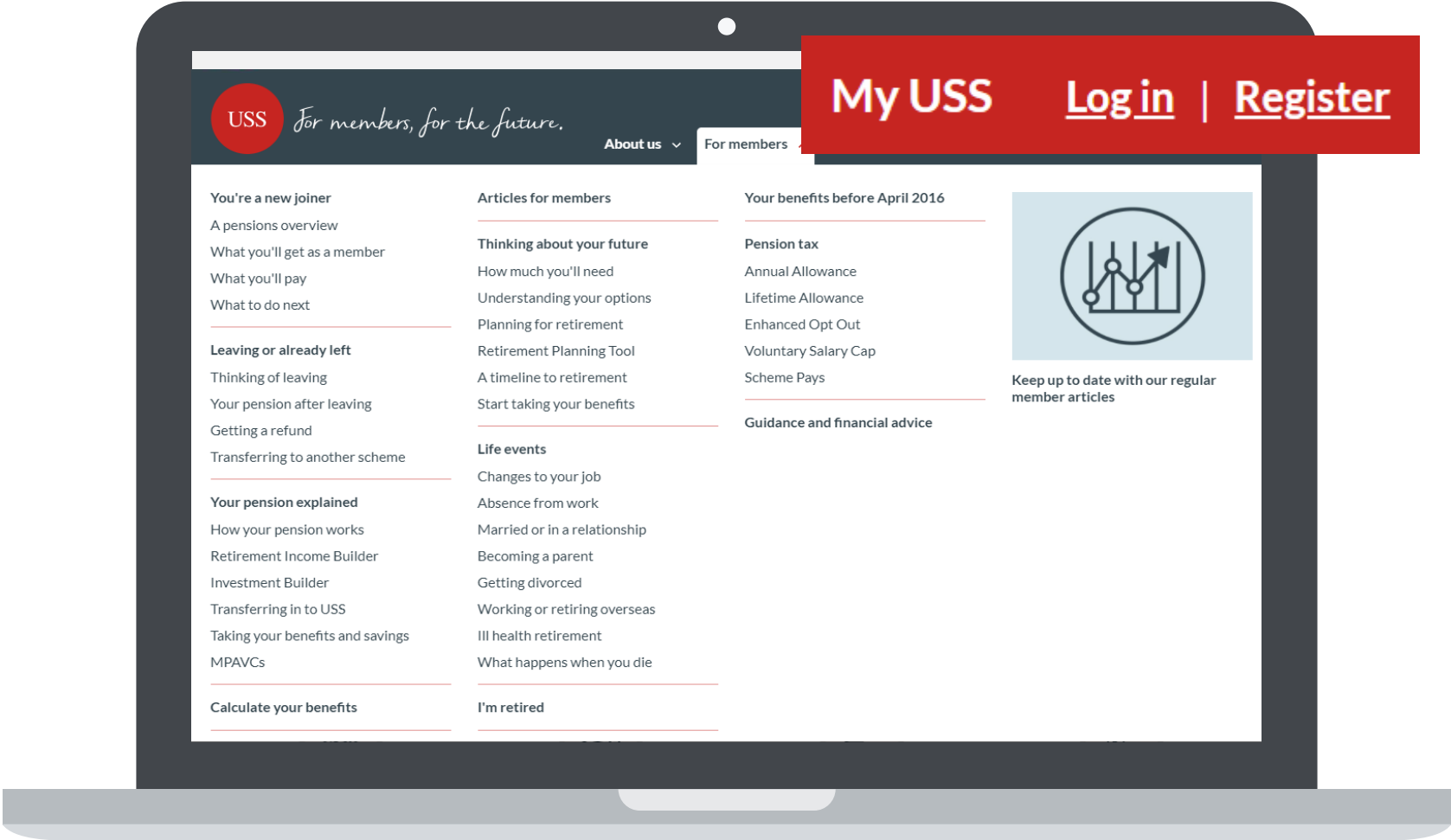
of your salary above the salary threshold from
YOU

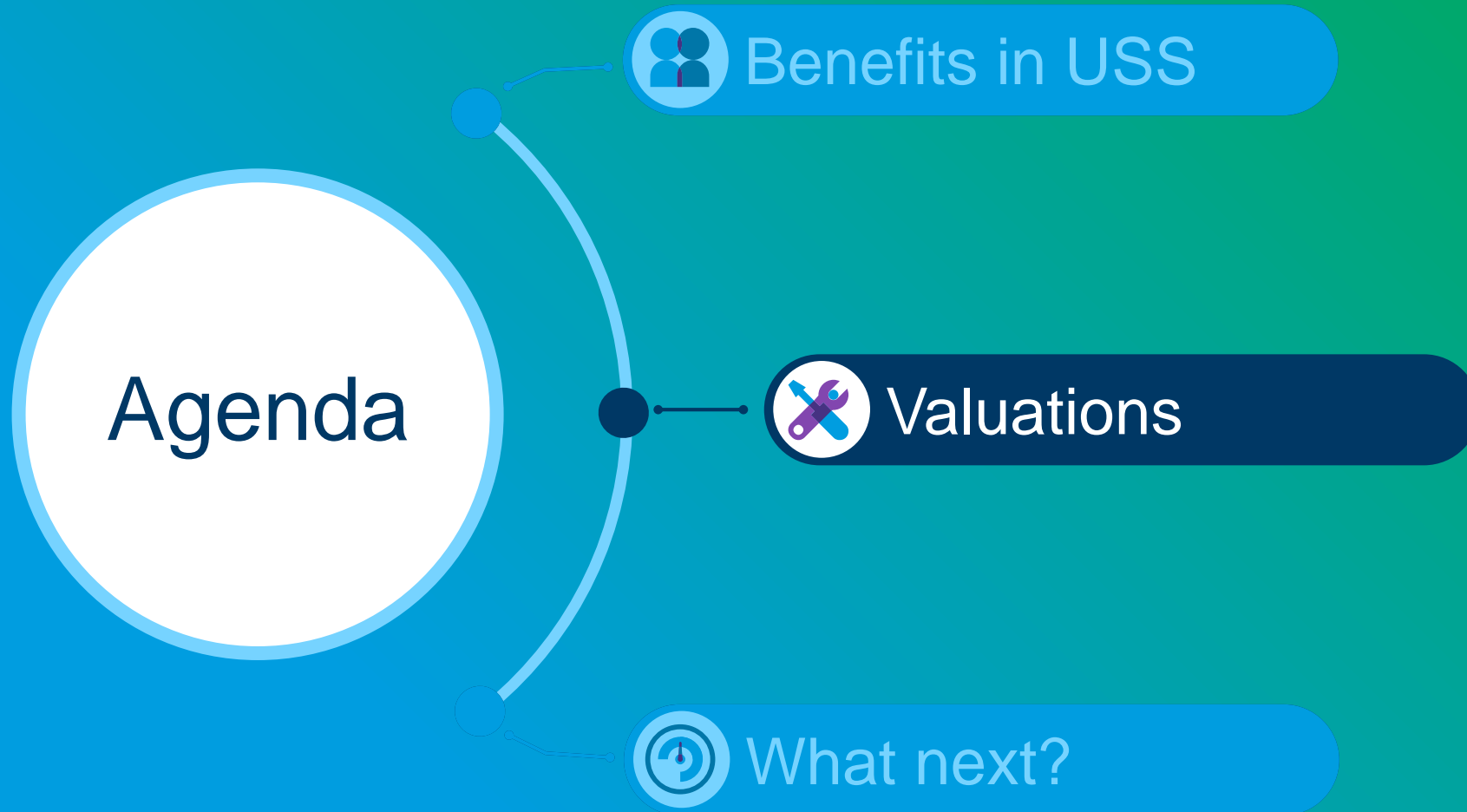
+



of your salary above the salary threshold from the
UNIVERSITY

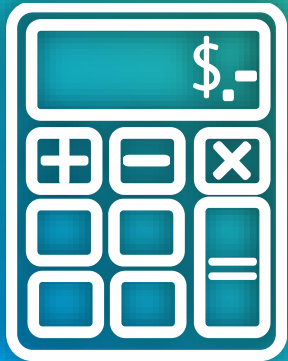
My USS





USS 31 March 2020 Valuation

Retirement Income Builder



Valuation

How a valuation is done

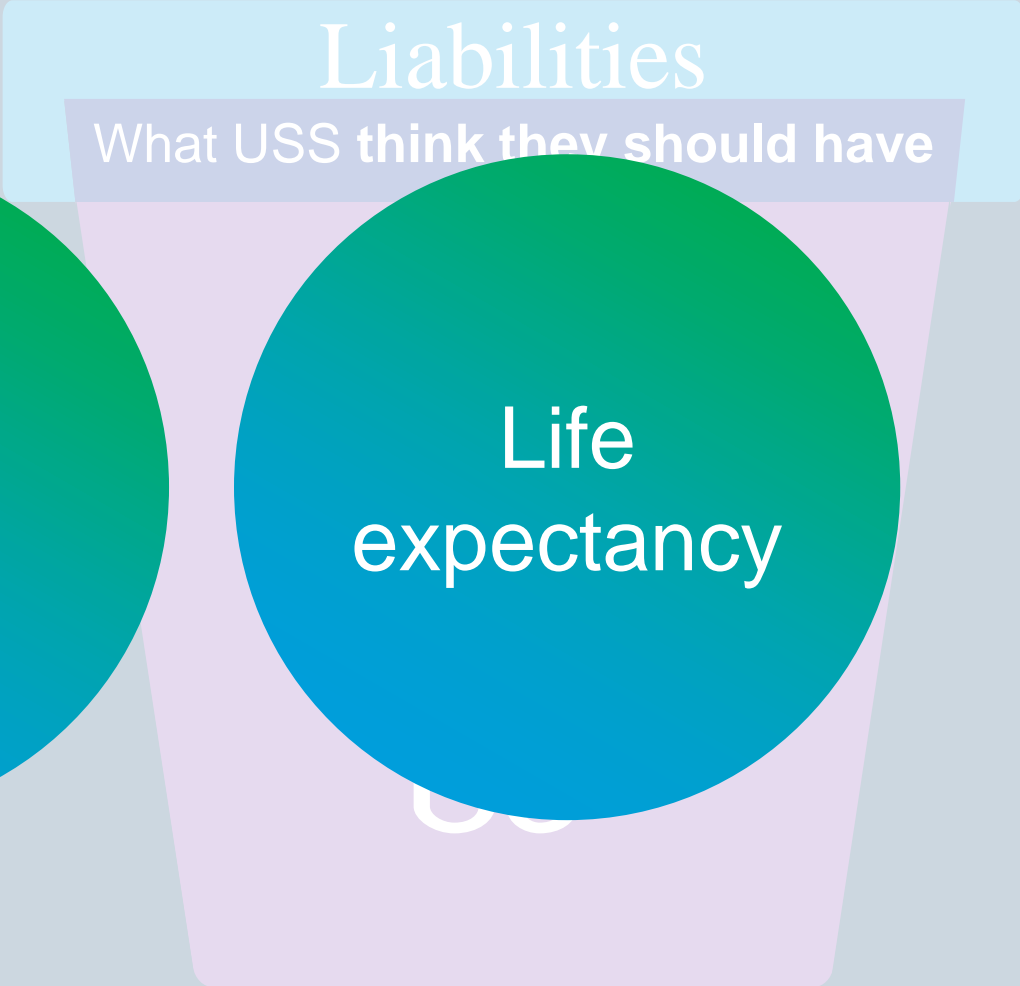
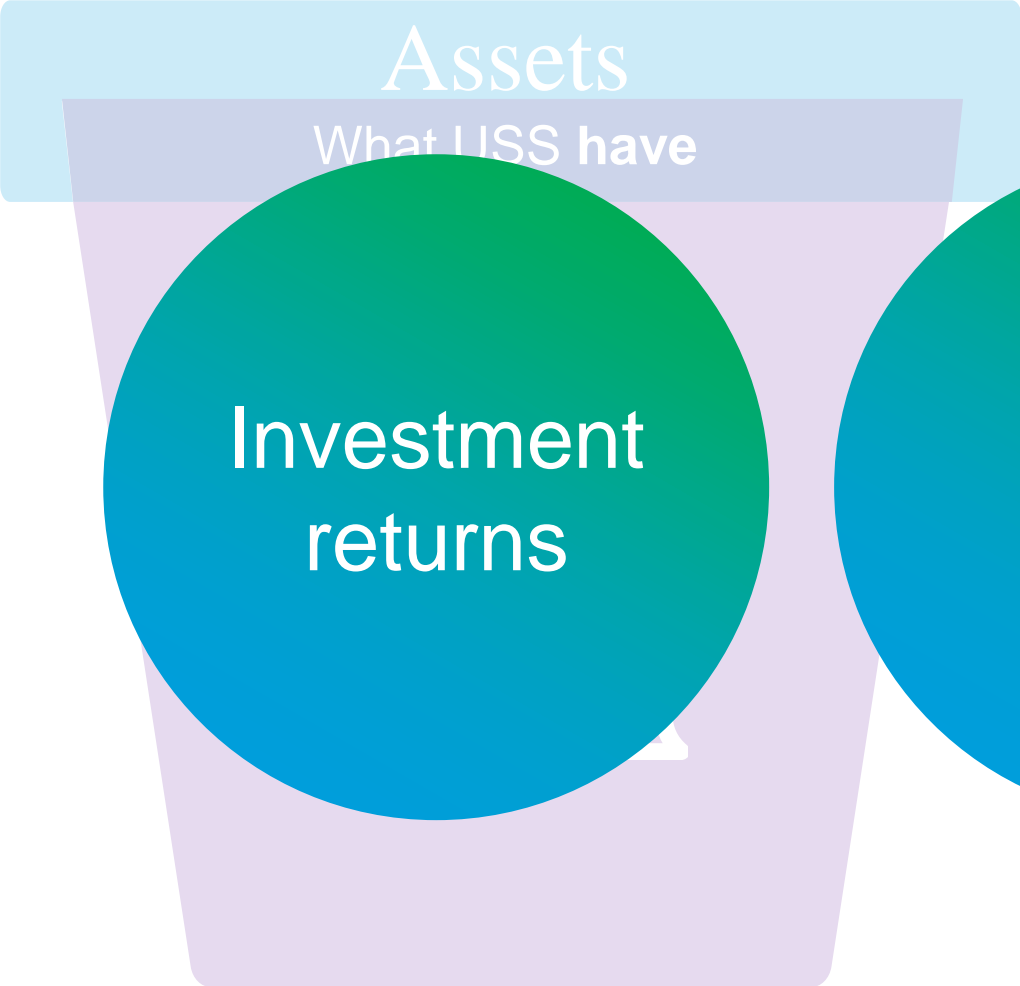
Assets
What USS have



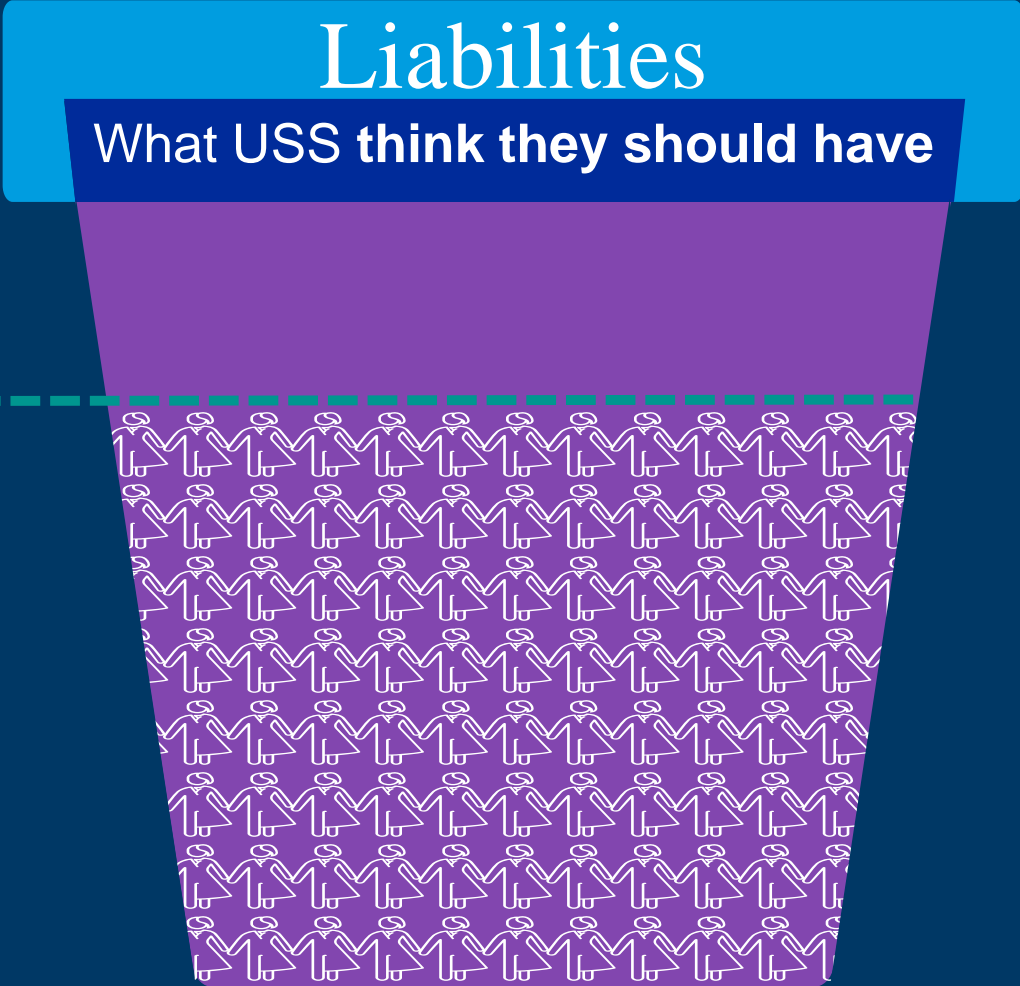
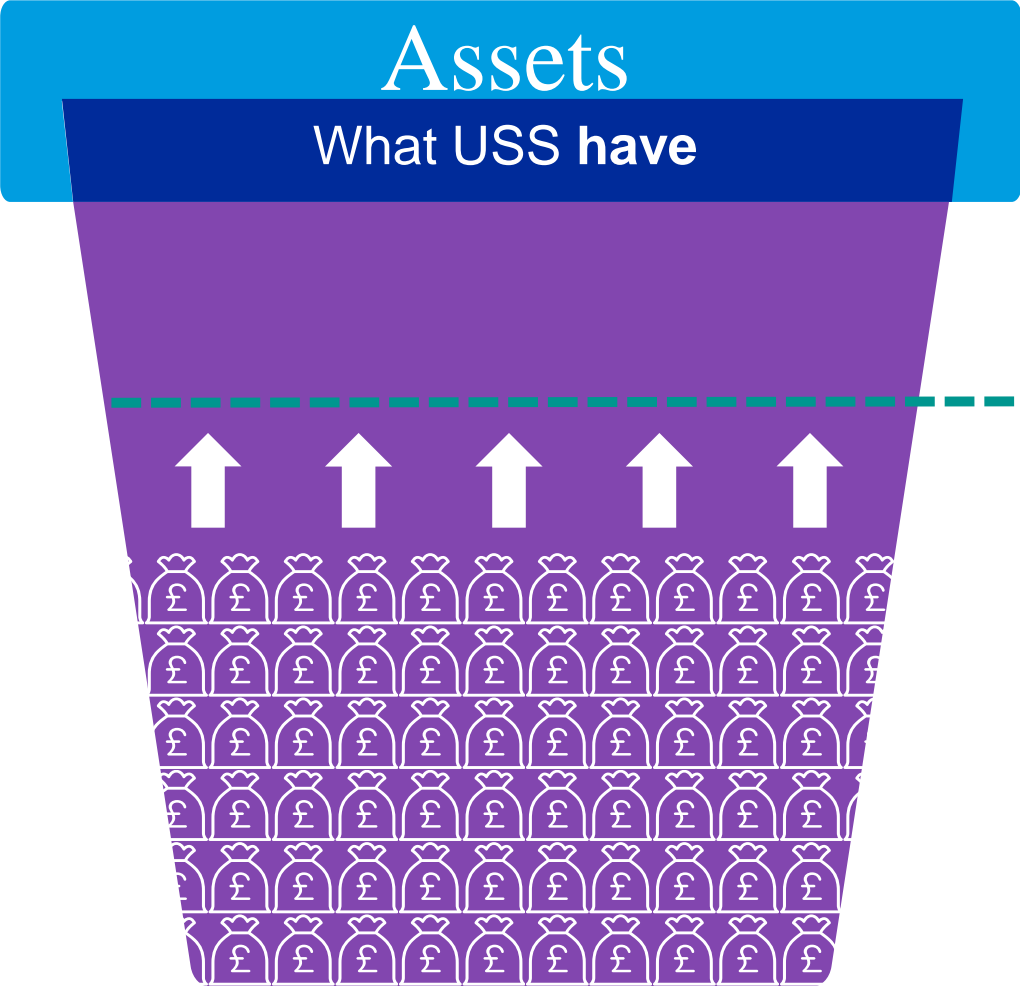
Liabilities
What USS think they should have



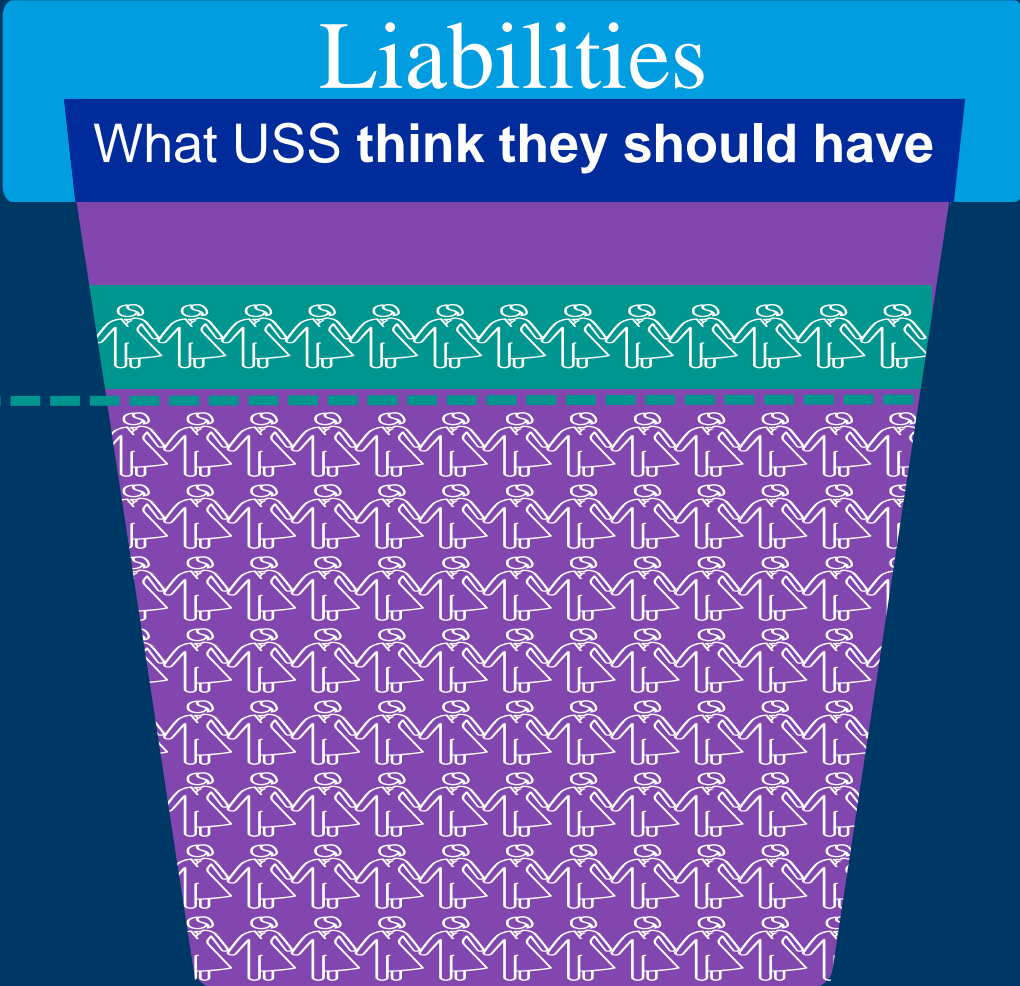
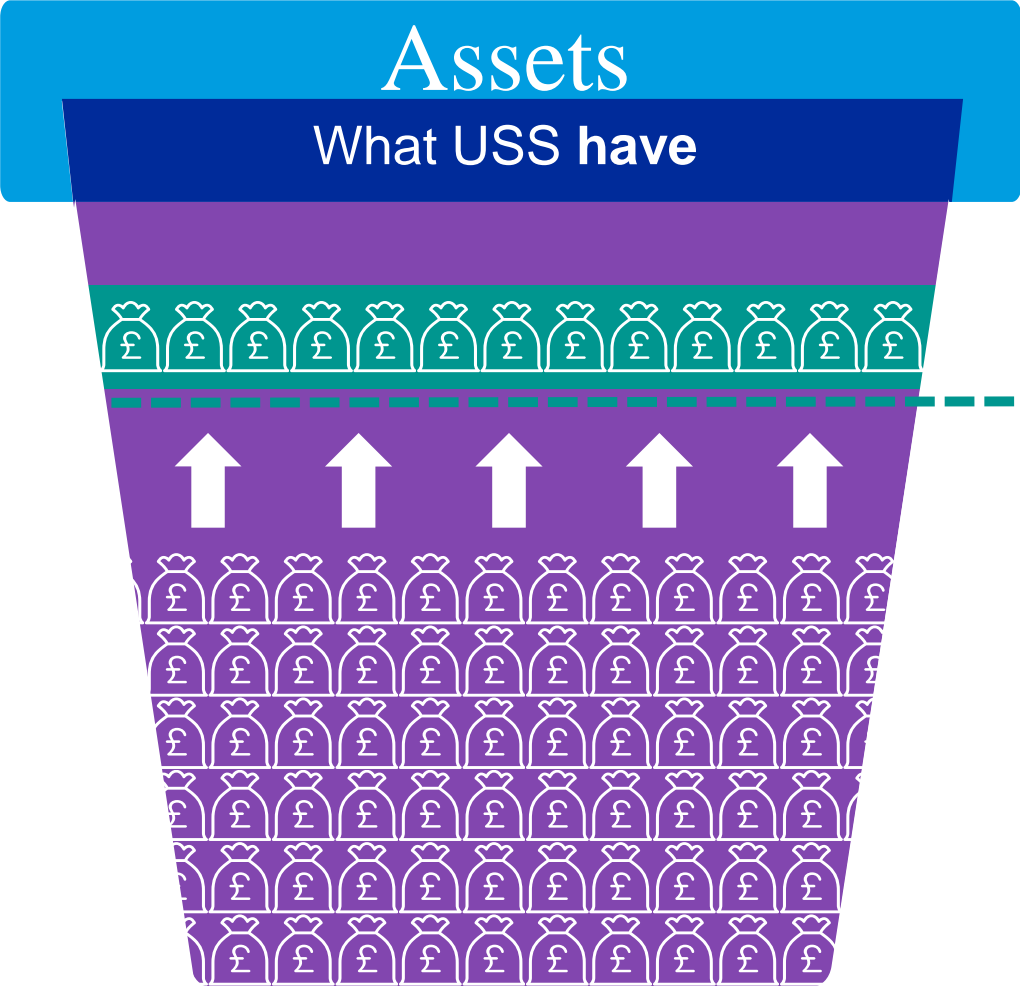
How a valuation is done



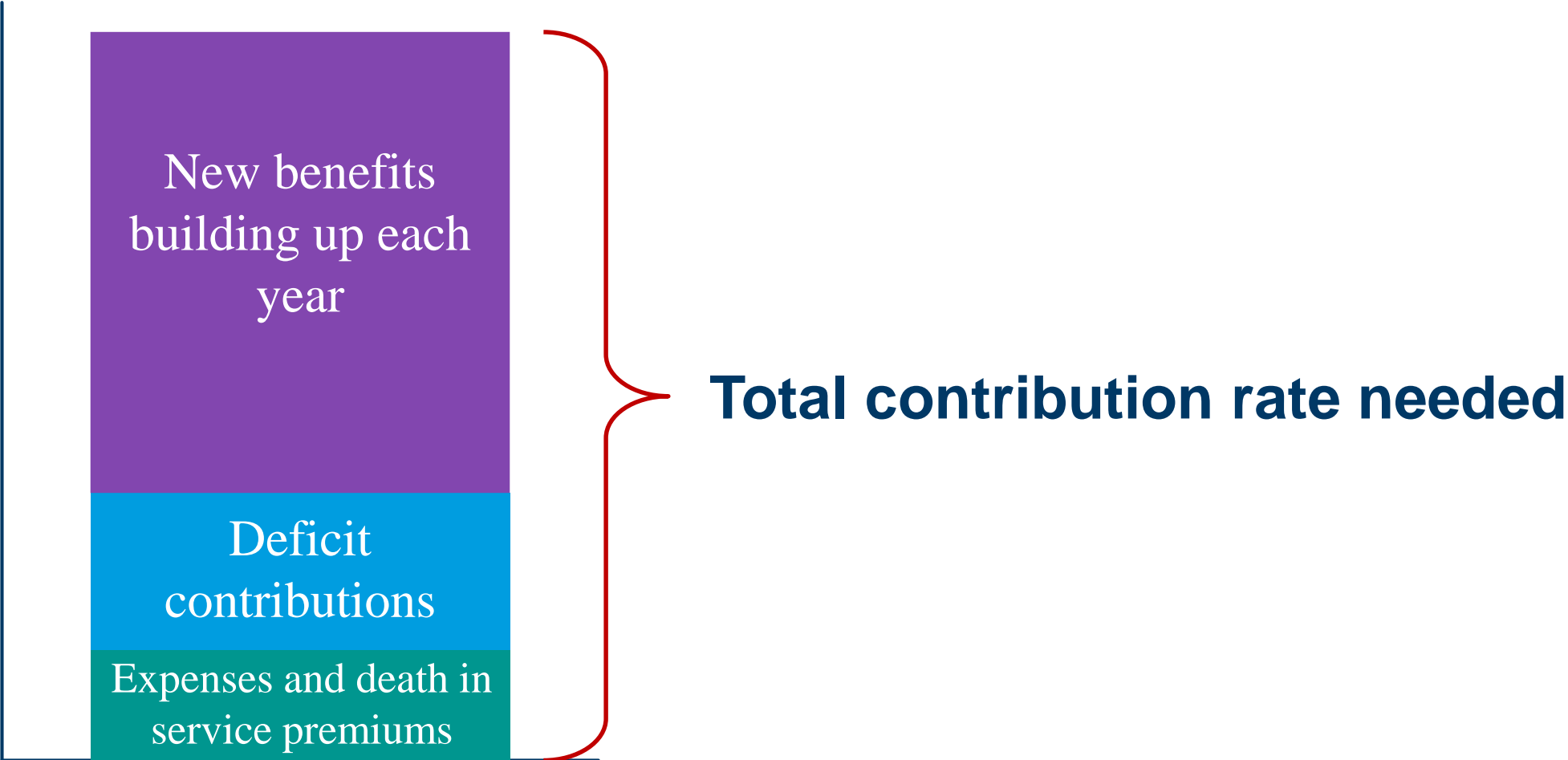
Benefits already promised



New benefits building up



Contributions



Key assumptions

Investment
returns

Inflation

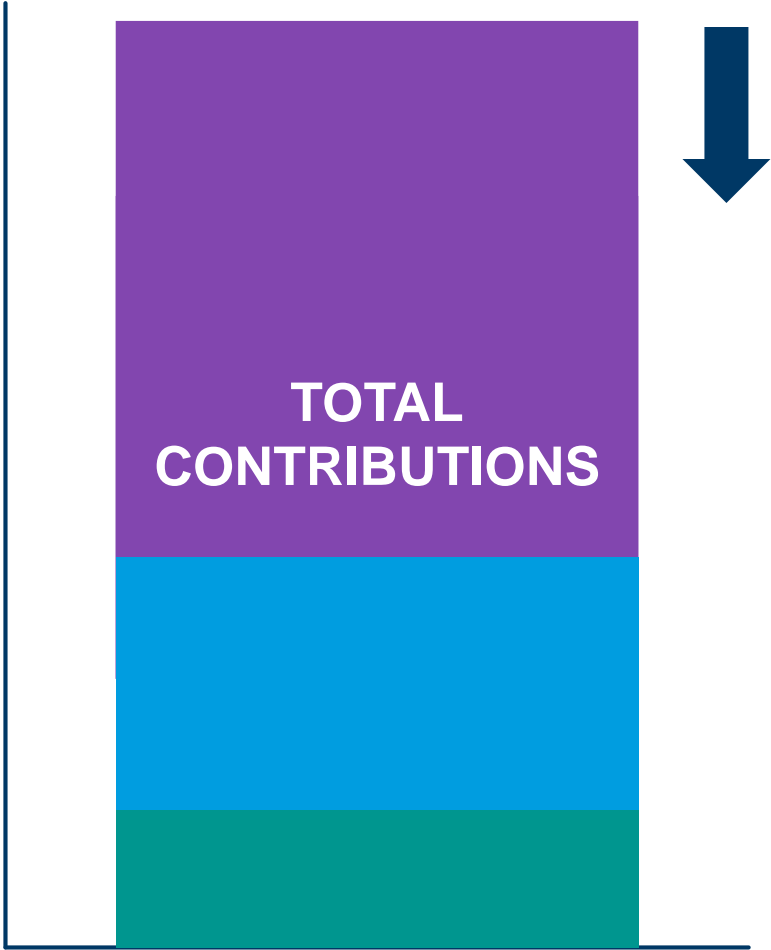
Life
expectancy

Key assumptions



More prudent

Key assumptions



Less prudent

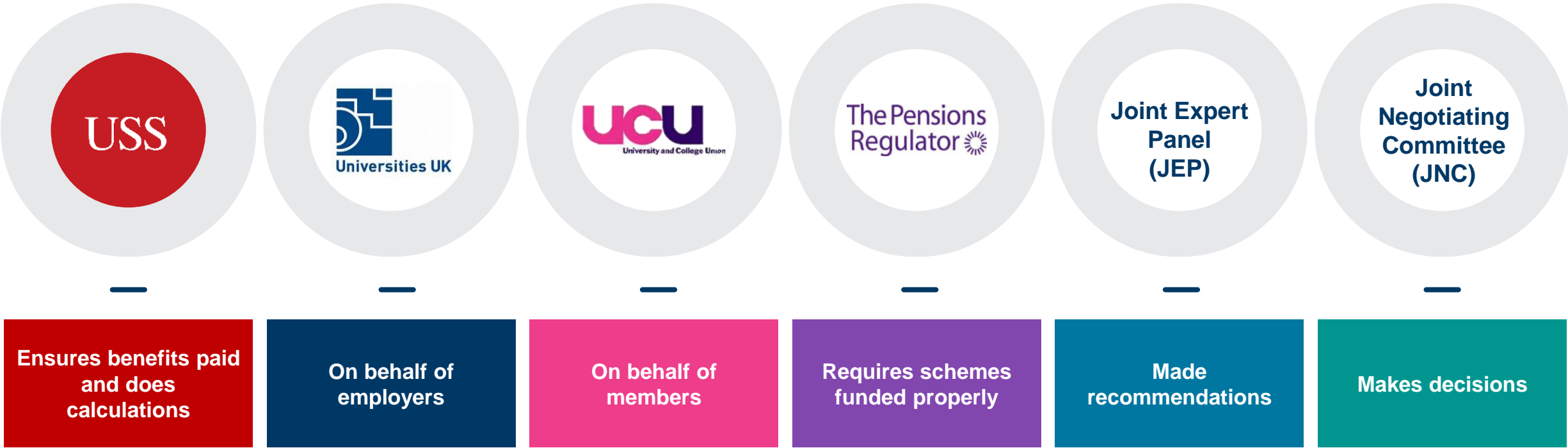


Covenant

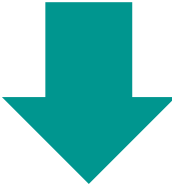
Strength of the higher education sector?



Different parties involved



The 2017 and 2018 valuations



	Pre April 2019	April 2019	October 2019	October 2021
Member	8.0%	8.8%	9.6%	11.0%
Employer	18.0%	19.5%	21.1%	23.7%
Total	26.0%	28.3%	30.7%	34.7%

The 31 March 2020 USS valuation

Current discussions

Results show significant contribution increases



Covenant enhancing measures to be decided



Challenges to the valuation approach



Benefit reform may be needed



Sector concerns



Concerned about members



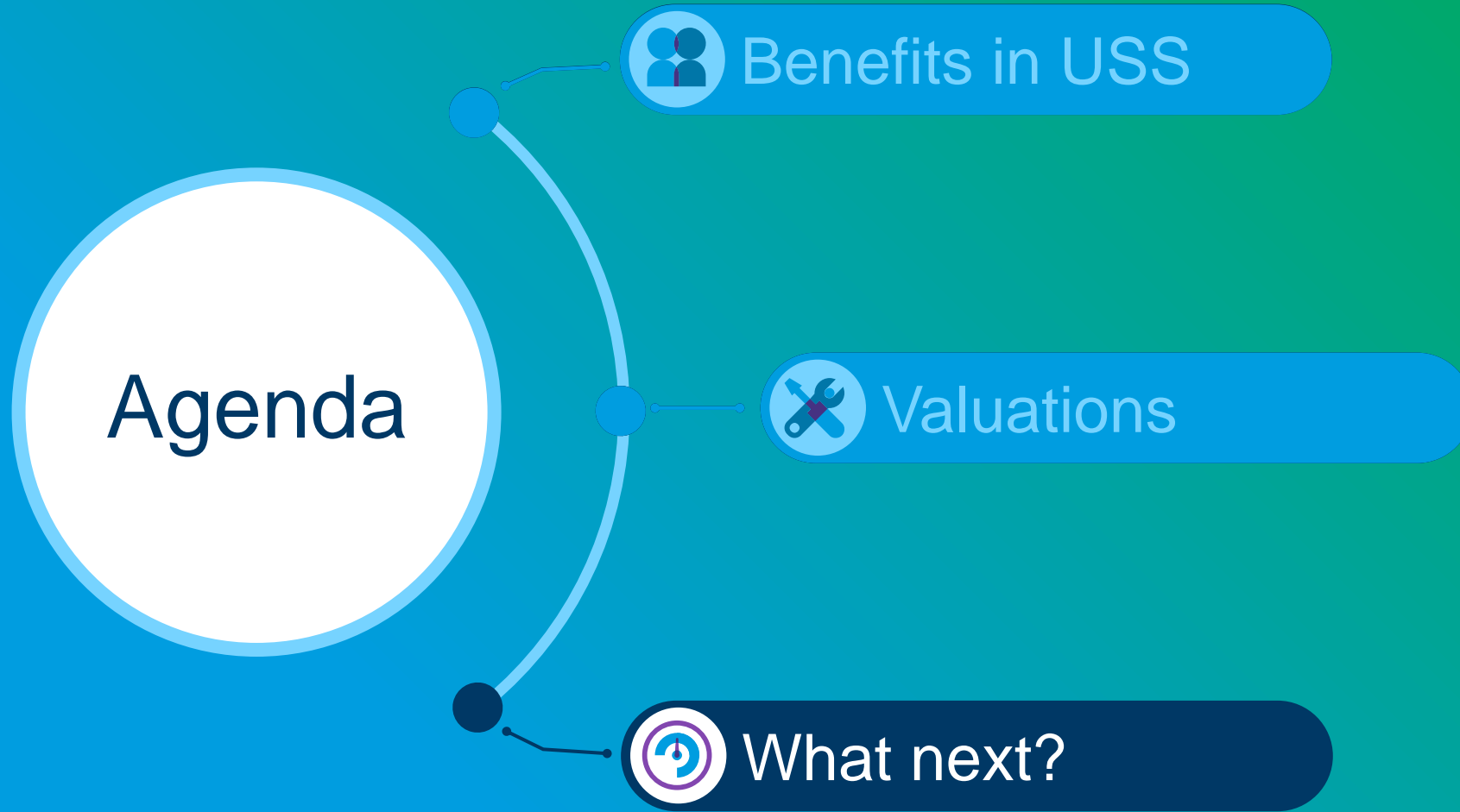
Intergenerational fairness



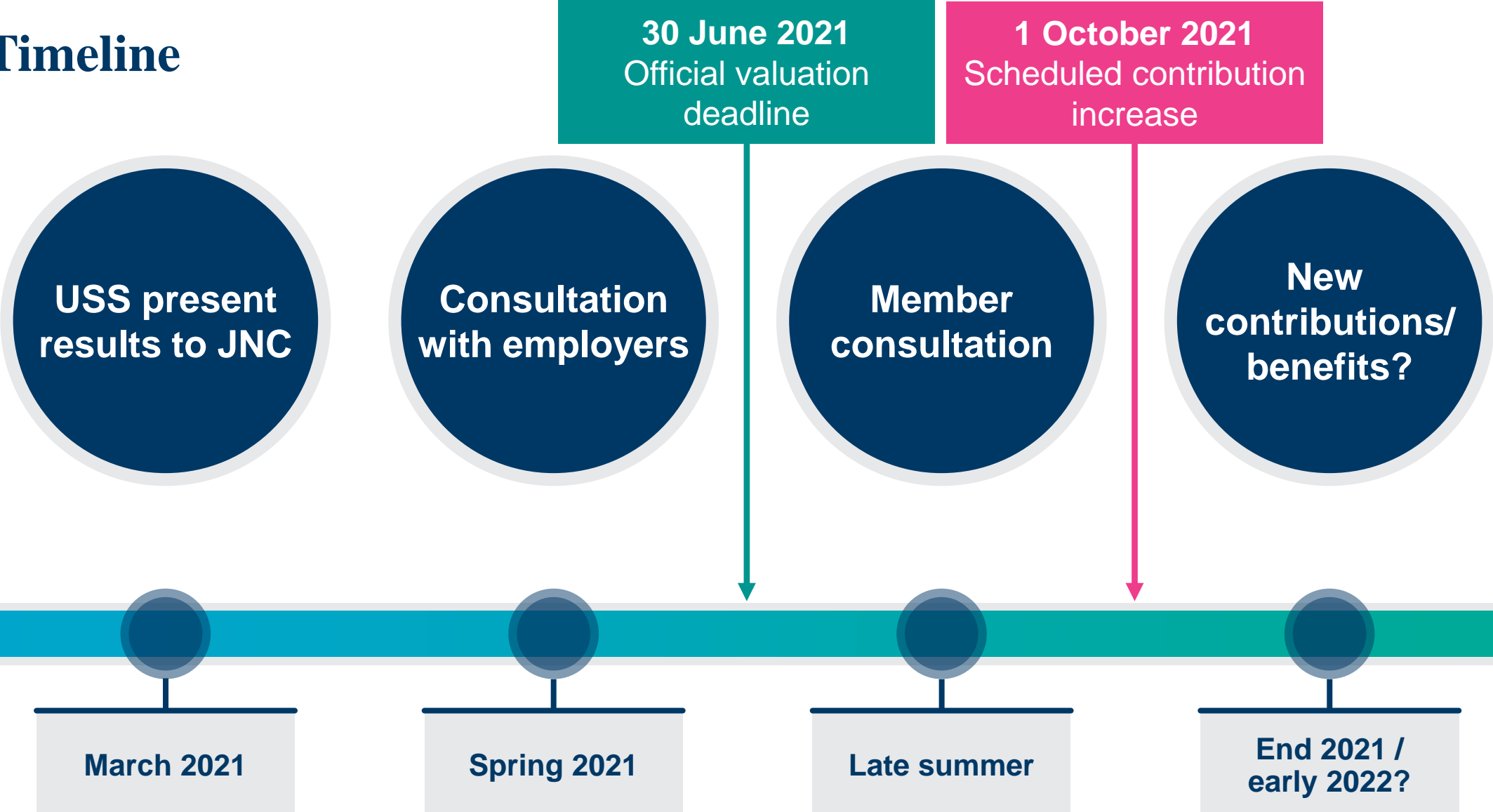
Contribution rates



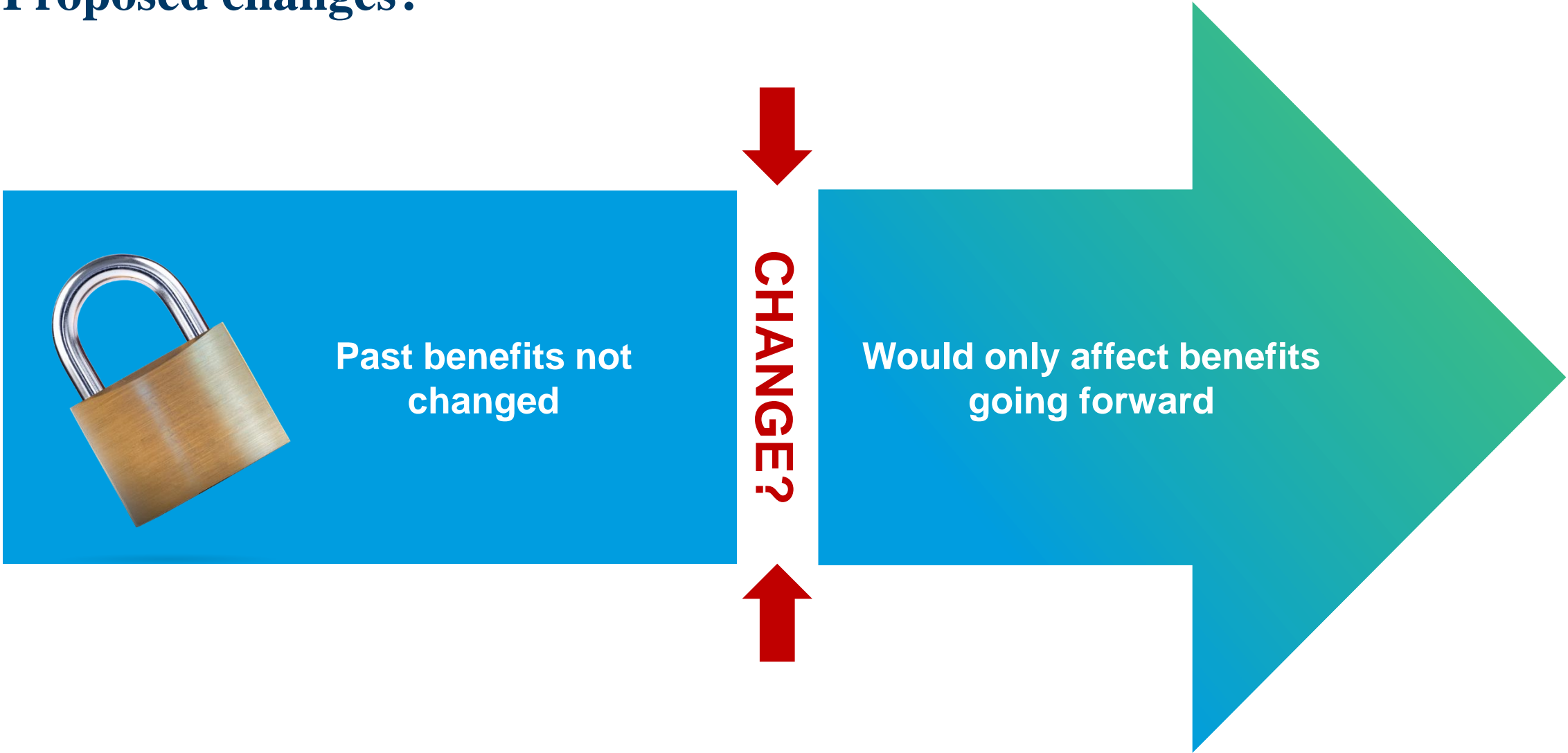
Opt-outs



Timeline

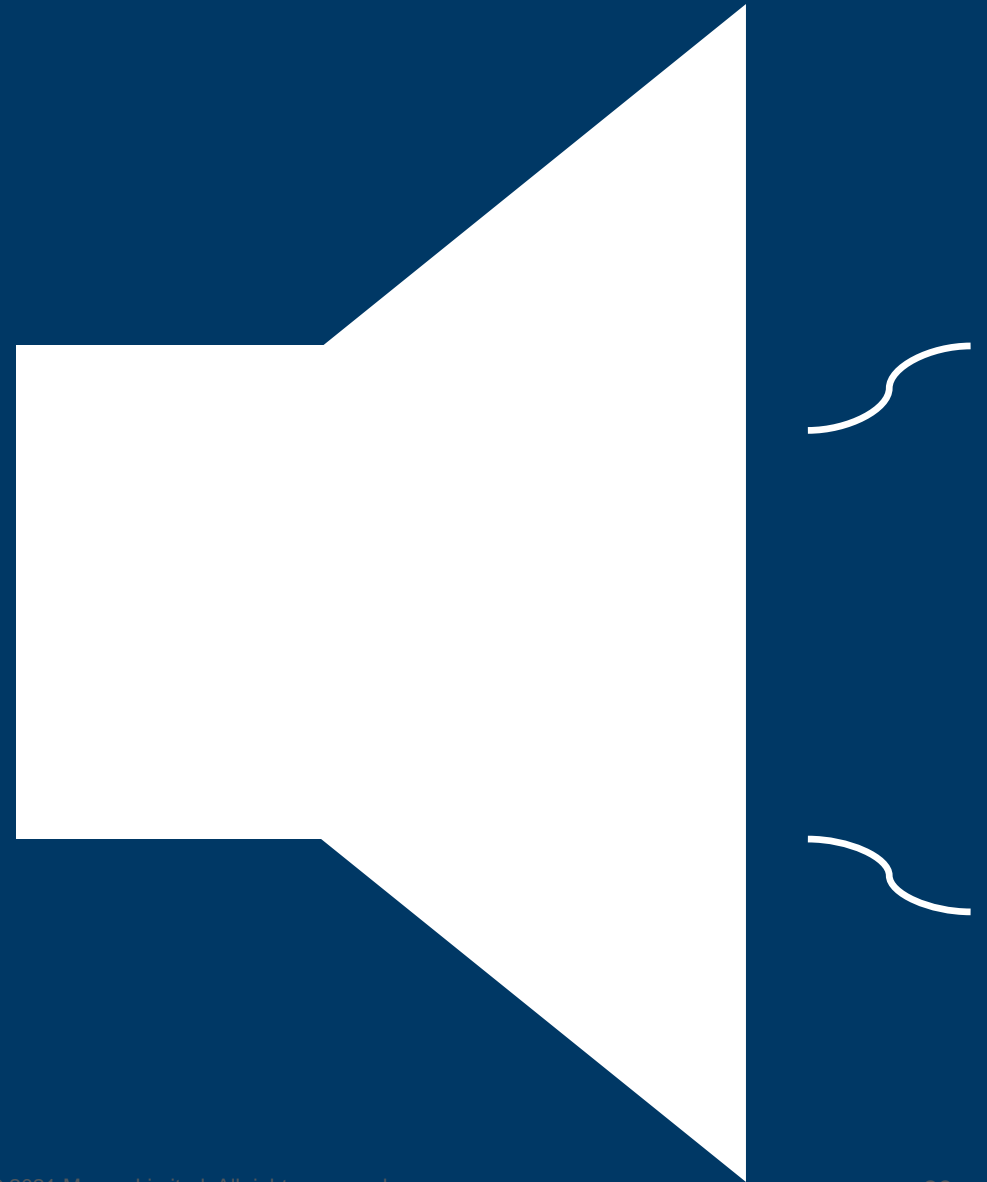


Proposed changes?



Member consultation

Have your say!



Sources of information



Sources of information

