

Date: 18 February 2022

Dear Stuart

Consultation on the UCU proposal to conclude the USS 2020 valuation

Thank you for inviting the University to respond to the latest proposal from the University and College Union (UCU) which was published on 10 February 2022 having been validated by the USS trustee.

The substantive UUK proposal, adopted by the JNC, would bring a balanced and proportionate conclusion to the 2020 valuation. We also know that the UUK solution will be further improved if, as we expect, there is collective support from employers for the proposed modification to the introduction of the new inflationary increases cap; an additional cost to the University that we are willing to accept.

We believe there are substantial and significant extra costs and difficulties with the alternative UCU proposal. Not only is it unaffordable, and so delayed in being brought forward, but there is no clarity about the legal basis for the proposed maximum contribution levels put forward by UCU, and those levels would breach the cost-sharing agreement. We are concerned at the affordability of the member contribution increases and the potential for further opt-outs from the scheme. There is also no view from the Pensions Regulator, especially over the level of prudence which it would be necessary to assume. In many respects the UCU proposal would bring considerable uncertainty. **For these reasons we respond to oppose the UCU proposal.**

Please let us know if you need any further details.

Yours sincerely

The University's Pensions Committee