University of Sheffield (UoS) Universities Superannuation Scheme (USS) Working Group

Meeting 21 November 2018, 12:00pm

Crucible Room, Level 6, The Arts Tower

Attendees:
Professor Mike Hounslow, Vice-President & Head of Faculty of Engineering
Ian Wright, Deputy Director of HR
Dr Jo Grady, Senior Lecturer, Management School / UCU Pensions Officer
Dr Sam Marsh, University Teacher, School of Maths & Statistics / UCU Branch President
Robert Hebblethwaite, Assistant Director of Finance
Professor Steven Julious, Professor of Medical Statistics, SchHARR
Laura Carter, Deputy Pensions Manager (taking notes)

Apologies:
Suzanne Duke, Head of Reward
Dr Moty Katzman, Reader in Mathematics, School of Maths & Statistics

Meeting Notes

1. Welcome and introductions

The group noted the apologies for absence.

2. Universities UK (UUK) - Formal response to USS Employer Consultation

On 15 November 2018, UUK confirmed they had written formally to Bill Galvin to confirm that employers support the recommendations of the Joint Expert Panel (JEP), subject to acceptance from the USS Trustee and The Pensions Regulator, and the need for further information for employers on risk and its implications.

UUK had further published analysis which provided a summary of the responses received to their consultation of employers on the recommendations of the JEP.

The group noted the responses to the UUK Employer consultation covered approximately 94% of the scheme active membership and mainly shared the perspective of the University of Sheffield, as put forward in the published response.

The group noted UCU were also broadly supportive of the JEP proposals but were maintaining their position of no detriment

Mr. Wright advised questions raised by the group had been submitted to UUK, but there had been no response as yet.
3. Recent Developments/next steps

The group noted the Trustee Board were meeting to consider the JNC proposals today. It was anticipated that the 2017 Valuation would be finalised at that meeting, in line with the Pensions Regulators requirements. This would require a further consultation with employers on the Schedule of Contributions and Recovery Plan in December 2018, to be signed off by January 2019.

USS had proposed that a further valuation would be undertaken, with an effective date of 31 March 2018. It was anticipated that the new valuation would reflect the consensus employers view on risk appetite and changes to the position of the scheme since the 2017 valuation. The group discussed some of the challenges that would bring, particularly in respect of the continued reliance on Test 1 and the strength of employer/sector covenant.

Mr. Wright had circulated slides from UCEA’s annual higher education pensions conference held on 19 November 2018. One of the slides set out the timescales and dependencies, based on the outcome of the Trustee meeting. The group discussed the contents of the slides and the implications for the University and how any agreed proposals could impact the University. The next steps would not be clear until the outcome of the Trustee meeting was known and proposals for the coming months were made public.

Dr. Marsh had circulated a report released by UCU on 16 November 2018, prepared by First Actuarial. The report gave comment on the recent Test 1/Year 20 discussions that had surrounded the 2017 valuation. The group discussed the UCU view and the potential future application of Test 1. The group noted some of the detail that UCU felt was lacking in the 2017 valuation had been raised as an issue in the 2014 consultation response submitted by the University of Sheffield.

4. Any other business

None.

5. Future Meetings

Future meeting dates had been confirmed as follows:
- 18 December 2018, 3.00 pm
- 22 January 2019, 3.30 pm
- 19 February 2019, 2.00 pm
- 19 March 2019, 2.00 pm

The group noted an earlier meeting date may be re-scheduled in December and January, as required.