

Statement from the trustee company on the review of USS – May 2010

The board of the USS trustee company (which is formally known as Universities Superannuation Scheme Limited) has a primary function which is to deliver the benefits set out in the USS scheme rules. It has responsibilities under trust law (and under the relevant pensions legislation) to ensure that there are sufficient assets to deliver the benefits that have accrued to members, and it does this through the management of the scheme's fund of assets (which are approximately £28 billion), and through the collection and investment of the member and employer contributions that are paid in to the scheme. The trustee company is of course committed to providing a first class service to its participating employers and to its many thousands of members.

The trustee company is responsible for delivering the accrued benefits, and it is the scheme's stakeholders, namely the scheme's participating employers and the trade union (the latter being the University and College Union, representing all scheme members), who must decide on any *future* scheme changes.

The process for making changes to the scheme is set out in the scheme rules, and a separate committee known as the Joint Negotiating Committee (the JNC) exists to undertake the key function of initiating and considering any changes. The functions of the JNC are to approve amendments to the rules proposed by the trustee company, and to itself initiate or consider alterations to the rules. The JNC consists of 11 persons of whom five are appointed by Universities UK, five by the UCU union and there is one independent member (Sir Andrew Cubie) who acts as chairman.

The Joint Review Group (JRG), a sub-group of the JNC, was established in late 2008 to consider a review of the scheme to ensure USS remains an affordable and attractive defined benefit pension scheme for the Higher Education sector. It comprised representatives from the Employers' Pension Forum (representing USS employers) and UCU (representing USS members), together with an independent chairman, Sir Andrew Cubie, who was jointly appointed by the employers and UCU.

The trustee company has provided extensive support to the JRG during this review; however after a long period of detailed negotiation, the JRG has been unable to agree changes to USS. The JRG has now been disbanded.

At its meeting on 30 April 2010 the JNC received formal proposals from both the employers (the Employers' Pension Forum) and UCU, and these will now be considered in detail within the JNC mechanism, through which a decision can be made.

As always, the trustee company will support both the employers and the trade union during this decision making process, and this was confirmed in a recent comment from the board chairman, Sir Martin Harris "*I am disappointed that no agreement has been reached, and I give my full support to both the employers and UCU in continuing to seek a satisfactory conclusion*".

Universities Superannuation Scheme Limited
May 2010

Further Information can be found out:

<http://www.employerspensionsforum.co.uk/>

<http://www.ucu.org.uk/index.cfm?articleid=1320>