

USS Gender pay gap report – 2019/20

Gender pay gap reporting requirements provide an opportunity for us and our peers to benchmark the progress being made in addressing this important issue.

The associated legislation requires us to publish data for Universities Superannuation Scheme Limited (**USS**) as the trustee company of the Universities Superannuation Scheme (the **scheme**) by virtue of headcount.

Defining the gender pay gap

The UK Government Equalities Office has introduced reporting regulation requiring employers with 250 or more employees to disclose annually on their gender pay gap. This involves carrying out six calculations that show the difference between the average earnings of men and women in our organisation. The gender pay gap is based on an hourly pay rate for each relevant employee, reflecting base salary, certain allowances and any incentive awards paid in the snapshot month. The bonus pay gap includes cash incentives plus any proceeds on exercise of long-term incentive plans paid over the previous 12 months.

What the 2019/20 data shows

The analysis of our gender pay gap at USS includes all aspects of financial reward and recognition.

There is an important distinction between the **gender pay gap and equal pay**. The gender pay gap measures the difference in average pay between all men and women in the company, whereas equal pay is about paying men and women the same for equal or similar work. Equal pay has been a legal requirement in the UK for many years.

It's about equal representation and progression within all levels within the organisation: USS employs people who can deliver consistent, long-term results and we pay them fairly against market rates.

What the data continues to show is that we have a greater proportion of men than women in senior roles which drives a gender pay gap in hourly pay. This also means we have fewer women in roles where the scale of the bonus potential is greater.

We recognise that, not only to close the gender pay gap in this area but also as an employer committed to equal opportunities, we need to increase our senior female representation across the business, and this is an ongoing journey.

There can be no tokenistic 'quick fix'. We remain focused on identifying the right actions to achieve lasting, meaningful change. This is demonstrated by our commitment to our [Diversity and Inclusion programme](#). Developed in partnership with employees across the business, this includes a focus on applying a gender lens across all elements of the employee cycle, such as recruiting, performance management, career development, promotion and remuneration.

Factors that will influence the pace of change

As a long-term investor with a long-term focus, executive and senior management roles are, typically, long-standing appointments. Once we have the right people in place, we want them to stay

and low turnover at the senior level of the business is a welcome trend. This is likely to restrict the pace of change, therefore, we will look to:

- Develop from within by identifying and supporting a diverse range of internal candidates for senior roles, opportunities in the leadership team as well as succession planning;
- Provide as flexible and accommodative working conditions as possible for all employees;
- Consult with employees at USS to investigate what more we can do to develop action plans on this issue.

At USS, we have strong female representation across our management teams and we fully expect the balance will adjust over time.

	Mean	Median
Pay gap	37.6%	35.2%
Bonus gap	59.2%	49.59%

Proportion of employees awarded a bonus during the snapshot year

Male	Female
63.8%	73.4%

Pay quartiles

Pay quartile	Female	Male
Upper quartile	31.8%	68.2%
Upper middle quartile	40%	60%
Lower middle quartile	58.1%	41.9%
Lower quartile	60%	40%

The data in this report is accurate and in line with the government reporting regulations.

Bill Galvin
 Group CEO
 Universities Superannuation Scheme Limited