

JNC Enhanced Report, 29 March 2022

Attendees

Committee members	Observers
Judith Fish (Chair)	Dr Woon Wong, UCU observer
Margaret Monckton (UUK)	Nicola Lee, UCU observer
Stuart McLean (UUK)	Dame Kate Barker, USS observer
Dr Carol Costello (UUK)	Marian Elliott, USS observer
Cliff Vidgeon (UUK)	Dr Sam Marsh, UCU observer
Mike Shore- Nye (UUK)	
Dr Justine Mercer (UCU)	
Dr Deepa Driver (UCU)	
Paul Bridge (UCU)	
Dr Marion Hersh (UCU)	
Professor Michael Otsuka (UCU)	

Update from the Trustee

A Trustee representative provided an overview of the Financial Management Plan monitoring up to [28 February 2022](#).

The group went on to have a detailed discussion around the methodology of the monitoring and considered the recent improvement in the scheme funding position, post valuation experience and the assumptions for future investment performance.

They discussed the possibility that if a similar position as that indicated by the current monitoring is established at the next valuation, contributions could be reduced, or benefits be increased (or a combination of both);

A Trustee representative also noted that the [FMP monitoring reports](#) will be provided quarterly from hereon in and the next report ([Interim Monitoring of the FMP, March 2022](#)) will be published in May;

A Trustee representative provided an overview of the [recent USS member webinars on scheme changes and the USS Investment Builder](#), Trustee [engagement with employers on the valuation investment strategy](#) ahead of the formal SIP consultation and the launch of the annual debt monitoring process with employers. They expressed thanks to the employers for their support and engagement;

They noted the [consultation on the Schedule of Contributions has closed](#) and that the Trustee is now working with employers to confirm their readiness for implementation.

Update on low cost benefits and conditional indexation working groups

The JNC Chair provided an update on the low cost working group and noted the outputs of the recent survey of USS eligible employees who have opted out or chosen not to join USS in order to better understand their reasons for doing so. The Chair expressed their encouragement at the response rate and the useful insight from the survey;

They noted there will be another meeting of the group to consider the survey of the outputs further, and this will be followed by a facilitated workshop by an external consultant to explore initial low cost design ideas. The committee noted that the low cost option will be a supplementary addition to the existing scheme;

A UUK representative and a Trustee representative provided an update on the work of the conditional indexation

Non-restricted (NR)

group, giving an overview of their recent technical briefing from an external company and the potential for further briefings on how conditional indexation is used in other countries to support their understanding;

A UCU representative highlighted that the current USS dispute means that UCU are unable to engage with UUK on conditional indexation. A Trustee representative offered to engage with UCU and UUK separately, rather than bilaterally and UCU representatives agreed to take away for consideration the possibility of attending future technical briefings on conditional indexation, whilst not formally joining the working group.

The UCU representative also noted they are working with their actuarial advisers to develop their understanding of conditional indexation.

Stakeholder updates

UCU

A UCU representative noted the [ongoing strike action on the USS dispute](#) with branches taking an additional five days of strike action in late March/early April. They explained that UCU representatives chose to attend today's JNC meeting despite it falling on a strike day because they feel that attending is of benefit to USS members;

They noted the fact that [ASOS will continue until at least early May](#), and that the current reballots of branches to extend their mandate for industrial action will likely mean industrial action extends beyond May;

They noted the upcoming [UCU Special Higher Education Sector Conference on 27 April](#), explaining that this meeting will be used by branch representatives to further develop UCU policy on the USS dispute;

They outlined the potential for a [marking and assessment boycott during the summer term](#) should their decision making bodies decide to escalate the industrial action;

They asked UUK to consider the possibility of requesting a 2022 valuation noting that the decision to call a valuation lay in the hands of the Trustee.

UUK

A UUK representative noted the recent meeting of the USS subcommittee of the Employer Pensions Forum as well as the 1:1 engagement with individual employers that UUK are currently undertaking;

They emphasised that employers are looking to the future, at solutions for member issues via [the three work streams](#) and ensuring that employers are well prepared for the next valuation and engage in the valuation process collaboratively with UCU to avoid future adverse changes to the scheme;

They noted that employers do not currently believe there is merit in conducting a 2022 valuation.

Additional matters covered at the meeting

- The group discussed the ongoing work to appoint a successor to the current JNC Chair;
- The Chair asked the committee to consider agenda items for the April and May meetings;
- The Chair and the committee extended thanks to Phil Harding for his work as a UUK representative on the JNC. They offered a welcome to Margaret Monckton who has taken Phil's place on the committee.