

Questionnaire to be completed by an institution applying for membership of USS



Please complete this form using BLOCK CAPITALS

Thank you for your enquiry. On receipt of this application form by USS you will receive hard copies of the USS explanatory booklet 'Information for Members', the latest Annual Report & Accounts for USS and the latest Actuarial Valuation report together with an indication of when your application will be considered for approval. PDF versions of the above literature are available to view or download from the USS website in the meantime. Before posting the completed application form please confirm that:

- Memorandum & Articles of Association enclosed (or other constitutional documentation)
- Latest Annual Report & Accounts enclosed
- Contractual Retirement Age Declaration enclosed (signed, with sample contract/s of employment)
- Application form is signed and dated

Institution details

Name of Institution _____

Address (Registered office or principal place of business) _____

_____ Postcode _____

Telephone Number _____ Fax Number _____

Email address _____ Name of Institution Contact _____

Is the Institution a University or University College? Yes No If yes, please go to the Membership details section.

Non-university institution details

As a non-university employer you are required to provide a guarantor/ors in respect of all your financial commitments to USS (please see the How USS is run > Employers Section on the website for full details). Please indicate below the guarantor/ors for consideration by USS.

How is the institution constituted? e.g. limited company, unincorporated association, royal charter etc. Please provide copies of memorandum and articles of association or other relevant constitutional documents, latest published accounts and any other relevant documentation.

Non-university institution details (Continued)

Does the institution seek to make a profit? Yes No

Is the institution associated with, sponsored by or wholly or partly owned by an existing USS institution or otherwise?
If so please provide full details of the relationship.

From what sources are staff generally recruited?

To what other employment do staff generally move after service with the institution?

Institution details

Name of Institution _____

Membership details

When was the institution established? _____

Which posts do you wish to be eligible for USS? (please see notes 1 & 2 under declaration)

- | | |
|--|--|
| <input type="checkbox"/> all current and future academic or comparable staff | <input type="checkbox"/> all current and future staff |
| <input type="checkbox"/> all future academic or comparable staff | <input type="checkbox"/> all future academic or comparable staff previously in membership of USS |
| <input type="checkbox"/> all future staff | <input type="checkbox"/> all future staff previously in membership of USS |

What are the current arrangements for your staff?

If you intend to offer USS membership to existing staff it may be possible to arrange a bulk transfer for all/part of your existing pension arrangements to USS. USS has an expansion policy, which details our requirements in this respect, full details of this policy can be obtained from USS by emailing communications@uss.co.uk, or from the USS website.

Do you wish to investigate a possible bulk transfer from the existing pension arrangement for eligible members? Yes No

How many employees do you estimate would be offered membership in the first 12 months of membership in each of these categories?

Research and teaching _____ Administration _____ Other _____

What, if any, are the pension arrangements for those staff that are not offered membership of USS?

Institution details

Name of Institution _____

From what date does the institution wish to participate? (Please note that participation cannot be backdated) _____

Please summarise the reason why the institution wishes to participate in USS?

Declaration

Name _____ Position _____

Notes: 1. This would include a new employee who was a member of USS immediately prior to commencing employment at your institution or had been a USS member within one month of commencing employment. 2. All applications are subject to approval by USS and the HM Revenue & Customs..

Contractual Pension Age Declaration

Name of Institution _____

Please choose 1 of the following 3 options:

- This institution does NOT have employment contracts for eligible employees that gives them the right to retire on pension at age 60 or more but less than 65.
- This institution has employment contracts that confer a right to retire on pension at age 60 or more but less than 65 and those contracts apply to all staff.
- This institution has employment contracts that confer a right to retire on pension at age 60 or more but less than 65 but those contracts do not apply to all staff (please provide full details).

Do the retirement ages above apply to employees with fixed-term contracts? Yes No

We attach a sample copies of the relevant contracts.

Declaration

Signature _____ Date _____

Name _____ Position _____

Notes: This information is required by USS as the contractual retirement ages determine the earliest point at which a deferred member (i.e. a leaver not yet at retirement age and entitled to a deferred pension) can draw their unreduced pension from USS. We record this information on the USS administration system and you will be asked to confirm the actual individual contractual retirement ages on any new joiner forms. We must have this declaration signed and copies of example contracts with the new institution application form.

Please retain for your own records

Your commitment to USS - Important notes for employers wishing to participate in USS

Introduction

USS is a centralised final salary scheme, open to employers in the Higher Education (HE) sector only. University employers are eligible to join USS. Other non-university employers in the HE sector must apply to participate and conditions apply to the eligibility criteria. Non-university employers must not assume that their application will be successful, as USS and also HM Revenue & Customs must approve these. Importantly, each employer on a mutual basis funds the scheme. USS has a responsibility to ensure that any employers accepted into the scheme do not have a negative impact to the funding of the scheme. Applications should be made well in advance of any eligible employees being recruited.

Financial Commitment

The great advantage to employers of participating in USS is the shared costs and ease of administration. An employer wishing to establish and run a final salary pension scheme in the UK faces a very heavy financial commitment, both in terms of establishing the scheme, administration and very importantly funding the benefits promised. This commitment to funding the benefits promised must not be entered into lightly. If you are accepted as a participating employer you are then responsible for fully funding the benefits promised for all members (current and former) who are or have been employed by you. This is exactly the same as if you had established your own final salary arrangement; employers cannot come in and out of the scheme and walk away from their commitment to secure the benefits promised.

Ongoing Contributions

The funding of the scheme is reviewed at least every three years and the employer contribution is determined after each valuation, the rate varies over time depending on the funding position of the scheme. Here is a history of employer contribution rates to date:

April 1975 to 31 March 1980	12.00%	April 1983 to 31 December 1996	18.55%
April 1980 to 31 March 1982	14.00%	1 January 1997 to 30 September 2009	14.00%
April 1982 to 31 March 1983	14.00%	1 October 2009 to date	16.00%

Employers ending their participation or having no eligible employees

As previously mentioned, an employer cannot simply come out of the scheme and walk away from its liabilities. New regulations were introduced, effective from September 2005 to protect members' interests when a participating employer withdraws from the scheme or ceases to have any eligible employees. In these situations the scheme (USS) will carry out a valuation of the benefits promised for members and former members at the date of exit, or the date on which the employer ceased to have any employees. This valuation of the benefits is then compared to the funding position of the scheme. If the scheme is in deficit then the employer must make good this deficit as a lump sum payment to USS. Under current regulations this would apply even if there were simply a gap between the last eligible employee leaving and a new eligible employee being recruited. This can obviously be a very large payment in certain circumstances and each employer should consider very carefully if it is willing to accept this level of potential liability

Guarantees

In light of these new regulations and the continued commitment of USS to protect members' interests it is a requirement of participation by non-university institutions that a guarantee is provided. In many cases this can be obtained from a host institution/s as many new companies wishing to participate are associated with a main University, although each case will be considered on the security of the guarantee.

However, with many applications no such association exists and in these cases a bank/alternative guarantee must be provided before a new employer can be accepted as a USS institution. Our experience to date has shown that a bank guarantee is not feasible as the amount being guaranteed is not set; the value can vary widely over time and under different market conditions and membership movements. USS is willing to consider other guarantees, possibly from other non-university bodies and each case will be considered on its merits having a view to the financial strength of both the employer wishing to participate and the guarantee being provided.

These guarantees can be difficult to meet, especially where no suitable host institution exists to provide a secure guarantee. Regrettably, if no suitable guarantee is available applications will be rejected and employers will need to make other arrangements.