

Cash flows (as at 31 March 2022)

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This document sets out cash flows in respect of both past service (which underlie liabilities) and future service (which underlie future service contributions), together with the gilt yield and CPI assumptions, based on data as at 31 March 2021.

Table 1: Scheme cash flows (£bn)

Year to	Expected cash flows (£bn) in relation to benefits accrued at 31 March 2022	Expected cash flows (£bn) in relation to benefits projected to be accrued in 2022/23 (post-22 structure)	Expected cash flows (£bn) in relation to benefits projected to be accrued in 2022/23 (pre-22 structure)
31 March 2023	2.47	0.045	0.045
31 March 2024	2.28	0.006	0.008
31 March 2025	2.41	0.007	0.010
31 March 2026	2.54	0.009	0.013
31 March 2027	2.66	0.011	0.016
31 March 2028	2.77	0.014	0.020
31 March 2029	2.89	0.017	0.025
31 March 2030	2.99	0.019	0.030
31 March 2031	3.10	0.022	0.035
31 March 2032	3.19	0.026	0.040
31 March 2033	3.30	0.028	0.045
31 March 2034	3.40	0.032	0.050
31 March 2035	3.49	0.035	0.057
31 March 2036	3.59	0.039	0.063
31 March 2037	3.68	0.043	0.070
31 March 2038	3.77	0.047	0.078
31 March 2039	3.83	0.051	0.085
31 March 2040	3.90	0.055	0.092
31 March 2041	3.95	0.058	0.099
31 March 2042	4.01	0.063	0.108
31 March 2043	4.05	0.068	0.117
31 March 2044	4.09	0.072	0.125
31 March 2045	4.13	0.077	0.135
31 March 2046	4.13	0.083	0.146
31 March 2047	4.13	0.088	0.155
31 March 2048	4.12	0.093	0.165
31 March 2049	4.10	0.098	0.174
31 March 2050	4.07	0.102	0.184
31 March 2051	4.02	0.107	0.192
31 March 2052	3.97	0.111	0.201

31 March 2053	3.91	0.115	0.209
31 March 2054	3.83	0.119	0.218
31 March 2055	3.75	0.123	0.224
31 March 2056	3.66	0.125	0.229
31 March 2057	3.56	0.128	0.235
31 March 2058	3.45	0.129	0.239
31 March 2059	3.34	0.130	0.241
31 March 2060	3.22	0.130	0.242
31 March 2061	3.11	0.129	0.242
31 March 2062	2.99	0.127	0.240
31 March 2063	2.86	0.125	0.237
31 March 2064	2.74	0.123	0.235
31 March 2065	2.61	0.121	0.232
31 March 2066	2.49	0.118	0.228
31 March 2067	2.36	0.115	0.224
31 March 2068	2.23	0.112	0.219
31 March 2069	2.11	0.109	0.215
31 March 2070	1.98	0.106	0.210
31 March 2071	1.85	0.103	0.204
31 March 2072	1.73	0.099	0.198
31 March 2073	1.60	0.096	0.191
31 March 2074	1.48	0.092	0.185
31 March 2075	1.36	0.088	0.177
31 March 2076	1.25	0.084	0.169
31 March 2077	1.14	0.079	0.161
31 March 2078	1.03	0.075	0.153
31 March 2079	0.92	0.070	0.144
31 March 2080	0.83	0.066	0.135
31 March 2081	0.73	0.061	0.126
31 March 2082	0.64	0.056	0.116
31 March 2083	0.56	0.051	0.107
31 March 2084	0.48	0.047	0.097
31 March 2085	0.41	0.042	0.088
31 March 2086	0.35	0.038	0.079
31 March 2087	0.29	0.033	0.070
31 March 2088	0.24	0.029	0.061
31 March 2089	0.20	0.025	0.053
31 March 2090	0.16	0.022	0.046
31 March 2091	0.13	0.018	0.039
31 March 2092	0.10	0.015	0.032
31 March 2093	0.08	0.013	0.027
31 March 2094	0.06	0.010	0.022
31 March 2095	0.05	0.008	0.017
31 March 2096	0.03	0.006	0.014
31 March 2097	0.02	0.005	0.010
31 March 2098	0.02	0.004	0.008
31 March 2099	0.01	0.003	0.006
31 March 2100	0.01	0.002	0.004
31 March 2101	0.01	0.001	0.003
31 March 2102	0.00	0.001	0.002

31 March 2103	0.00	0.001	0.001
31 March 2104	0.00	0.000	0.001
31 March 2105	0.00	0.000	0.001

Please note:

- No allowance for expenses, transfers out or DC benefits is included in the cash flows above.
- These cash flows are based on membership data as at 31 March 2022. This is a difference from the FMP monitoring and Actuarial Report as at 31 March 2022 which were based on the 31 March 2020 valuation, approximately adjusted to allow for assumed experience. Certain adjustments made to the liabilities (in particular allowance for short service leavers) and the future service rate (allowance for the delay in the indexation cap) which increase both slightly are not included in the above cash flows.
- The cash flows are based on the financial assumptions used for the 31 March 2020 valuation other than the CPI assumption and the adjustments to this to reflect pension increase caps (which have been updated based on market conditions). The CPI assumption is shown in Table 2. The demographic assumptions are those used for the valuation with the exception of the mortality future improvements assumption which has been updated from the CMI 2019 tables to the CMI 2021 tables. This results in a small (c.0.1%) reduction in liabilities.
- Payments in year to 31 March 2023 look high compared to the following year. This is explained as follows:
 - In respect of accrued benefits, all those above their retirement age are assumed to retire immediately; it is the payment of their lump sum on retirement that accounts for the higher figure.
 - In respect of benefits accruing, the higher figure is largely on account of death-in-service lump sums payable in the first year.

Table 2: Gilt yield and CPI curves

The Gilt yields and CPI rates below are the 1-year forward rates as at 31 March 2022.

Year	Gilt yield	CPI (past service) Incorporates known CPI to Feb '22	CPI (future service)
1	1.25%	5.41%	4.21%
2	1.47%	4.19%	4.17%
3	1.45%	3.88%	3.59%
4	1.43%	3.37%	3.15%
5	1.46%	2.98%	2.82%
6	1.55%	2.72%	2.61%
7	1.69%	2.56%	2.51%
8	1.85%	2.52%	2.52%
9	2.02%	2.64%	2.66%
10	2.16%	2.74%	2.77%
11	2.24%	2.84%	2.86%
12	2.27%	2.93%	2.95%
13	2.25%	3.00%	2.99%
14	2.20%	3.02%	3.00%
15	2.14%	3.01%	2.96%
16	2.08%	2.97%	2.92%
17	2.02%	2.91%	2.85%
18	1.97%	2.84%	2.77%
19	1.92%	2.76%	2.70%
20	1.86%	2.70%	2.65%
21	1.80%	2.65%	2.60%
22	1.73%	2.61%	2.57%
23	1.66%	2.58%	2.54%
24	1.59%	2.56%	2.54%
25	1.52%	2.56%	2.54%
26	1.45%	2.52%	2.50%
27	1.40%	2.47%	2.45%
28	1.34%	2.44%	2.43%
29	1.30%	2.42%	2.41%
30	1.26%	2.40%	2.39%
31	1.23%	2.39%	2.38%
32	1.21%	2.39%	2.39%
33	1.19%	2.40%	2.40%
34	1.18%	2.41%	2.41%
35	1.17%	2.43%	2.43%
36	1.16%	2.45%	2.45%
37	1.16%	2.47%	2.47%
38	1.16%	2.49%	2.49%
39	1.16%	2.51%	2.51%
40	1.16%	2.53%	2.53%
41	1.16%	2.56%	2.56%

42	1.16%	2.57%	2.57%
43	1.17%	2.58%	2.58%
44	1.17%	2.59%	2.59%
45	1.17%	2.60%	2.60%
46	1.17%	2.61%	2.61%
47	1.17%	2.60%	2.60%
48	1.17%	2.60%	2.60%
49	1.17%	2.61%	2.61%
50	1.17%	2.61%	2.61%
51	1.17%	2.60%	2.60%
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67	1.17%	2.60%	2.60%
68	1.17%	2.60%	2.60%
69	1.17%	2.61%	2.61%
70	1.17%	2.61%	2.61%
71	1.17%	2.60%	2.60%
72	1.17%	2.60%	2.60%
73	1.17%	2.61%	2.61%
74	1.17%	2.61%	2.61%
75	1.17%	2.60%	2.60%
76	1.17%	2.60%	2.60%
77	1.17%	2.61%	2.61%
78	1.17%	2.61%	2.61%
79	1.17%	2.61%	2.61%
80	1.17%	2.61%	2.61%
81	1.17%	2.61%	2.61%
82	1.17%	2.61%	2.61%
83	1.17%	2.60%	2.60%