

JNC Enhanced Report, 12 July 2021

Attendees

Committee members	Observers
Judith Fish (Chair)	Professor Michael Otsuka, UCU observer
Phil Harding (UUK)	Dr Woon Wong, UCU observer
Dr Carol Costello (UUK)	Margaret Monckton, UUK observer
Stuart McLean (UUK)	Dr David Watts, USS observer
Anthony Odgers (UUK)	Rene Poisson, USS observer
John Neilson (UUK)	Russell Picot, USS observer
Dr Justine Mercer (UCU)	Helen Shay, USS observer
Dr Sam Marsh (UCU)	
Dr Deepa Driver (UCU)	
Christine Haswell (UCU)	
Dr Marion Hersh (UCU)	

Stakeholder updates

UCU

A UCU representative provided an update on their ongoing engagement with members and branch pension officers on the UCU USS proposal. They are drawing together feedback on what members will support, and what the next steps for UCU should be.

The representative expressed disappointment in the UUK proposal and gave an overview of UCU member sentiment, noting that they view the proposal as a retrograde step that will most negatively impact members, that UCU members feel that employers are not doing enough to share the burden and that there is anger amongst UCU members because of what they describe as a 'flawed valuation'. They emphasised UCU member belief that employers can afford to pay a higher scheme contribution.

They noted their belief that industrial action on USS is now an inevitability.

They outlined the current UCU areas of focus on USS – affordability and maintaining a defined benefit pension for all members, because they believe a defined contribution scheme for lower paid members will undermine the defined benefit component of the scheme. They were exploring a member contribution rate of 0% for the lower paid and ways to retain inflation protection. They would be seeking a rule change so that members with less than 2 years' service would be eligible for the full Defined Benefit entitlement as a deferred member.

The representative also noted that UCU are asking the Trustee to focus on growth seeking assets as part of their investment strategy, and that UCU are in an ongoing dialogue with [The Pensions Regulator](#).

UUK

A UUK representative provided an update on the draft version of their latest proposal document, and provided [a high level overview of the proposals](#), with the caveat that the proposal document was yet to be finalised and signed off with the employers.

The draft proposal outlines the UUK wish to explore durable benefit design options, to address issues with affordability and portability, to scope and undertake a full governance review, and provide the covenant support required to support the proposal.

Non-restricted (NR)

The representative also noted that UUK are in dialogue with The Pensions Regulator on the proposal and hope to share a final version at the August JNC.

August deadline

The Chair reminded the group that the [three month extension on the JNC decision making window](#) was due to end on 31 August, and that formal proposals should be tabled at the August JNC.

A UUK representative noted that they expect to bring a formal proposal to the August meeting. UCU noted their ongoing consultation with members and informed the chair that their timeline for sharing a final proposal is yet to be confirmed.

A Trustee representative noted that they stand ready to price up both final proposals in the timeliest way they can.

The group discussed the possibility of the UCU and UUK representatives meeting with the Chair for an informal discussion on both draft proposals, after the next JNC meeting on 22 July. This discussion will not be minuted and will not include any Trustee attendees. A UCU representative asked to take this away for consideration.

Additional matters covered at the meeting

A representative from [the Scheme Actuary](#) provided a presentation on the post valuation experience, followed by a detailed Q&A with UUK and UCU attendees.

The group noted an update on the [Financial Management Plan](#).