

Dear Colleagues,

The USS Trustee's draft 2020 valuation of the scheme proposes changes to both employee and employer contributions that would risk affecting membership and viability of the scheme, putting further pressure on participating employers, and the international reputation of the UK University sector. As both the University's Executive Group and Kent's UCU branch, we share strong concerns about this and fully appreciate the substantial, adverse impact that the valuation's proposed increased contribution rates would have on all parties.

Both UCU and UUK nationally have put a huge amount of work into collectively addressing the pension challenges in the sector in the interests of a solution that works for all. Locally, we have both been disappointed by the lack of flexibility shown by the USS Trustee in response to serious and widespread concerns about the valuation itself.

In particular, [UUK's recent intervention](#) and the [associated report by its actuary AON](#) highlighted the lack of explanation for a number of changes to the assumptions in the valuation, while also pointing to concerning levels of prudence taken by the Trustees. We share this concern and believe there is, for example, scope to revisit the discount rate, despite the USS Trustee's indication that they are unable to review this until alternative proposals are put forward. We are particularly concerned that the increased contribution rates which derive from the overly prudent approach to the valuation proposed by the USS Trustee will make the scheme less attractive to members, particularly those in the early stages of their career, which will threaten its long-term viability and, hence, actually increase risks.

Overall, negotiations would benefit from greater openness and transparency in providing the evidence behind the Trustee's assumptions in making their valuation, and we will continue to work through our respective bodies to seek answers to these key outstanding questions. As noted in the UUK consultation and UCU communications, we agree that trust and confidence in the scheme have been strained in recent years and we endorse the 2019 JEP recommendations for reform.

At the same time, we will both be seeking wider views from scheme members across the University to inform our response as part of the current UUK consultation and will be discussing and sharing the findings of the staff survey together to ensure we fully reflect the views of staff at Kent.

As this process continues, we both appreciate that differences may develop between our positions on the valuation and that we will both need the independence to represent our respective areas fully. Despite this, we remain fully committed to the need for ongoing dialogue throughout in the interests of an outcome that suits all parties and will continue to work together wherever we can.



Professor Karen Cox
Vice-Chancellor and President



University of
Kent



Iain Wilkinson
Kent UCU Branch President



UCU
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