

University of Strathclyde
USS Pension consultation response
Summary of key themes from staff feedback

In total the University of Strathclyde received 62 consultation responses submitted through the portal or directly to the University from a total of 3041 active members and 522 non-members that are eligible to join the scheme.

A summary of the key themes received during the consultation process is outlined below.

- Generally staff that responded that they are not supportive of the changes and have raised concerns that the proposals will result in pension benefits being reduced.
- There were a number of staff suggesting that a threshold of £50K for defined benefits would be a better alternative than the £40k threshold that has been proposed.
- Particular concerns have been raised about younger staff at the start of their careers as this will have a greater impact on them compared to those that have already accrued benefits in the scheme.
- A number of staff highlighted that the timing of the valuation was in the middle of the pandemic at the bottom of the market and this could have disproportionately impacted on the outcome and the size of the deficit.
- Significant concerns have been raised about the affordability of the fallback position and that this could result in greater number of staff opting out of the scheme.
- Some staff suggested that the fallback position could provide a mechanism to maintain current benefits in the short term (to April 2023) to allow more time to carry out another valuation or consider alternative options for future scheme design.
- A common concern raised regarded the inflationary cap of 2.5% and the impact that this could have on the value of pensions should inflation increase significantly in the future. It was also highlighted that this also reduces the degree of certainty regarding future benefits that that scheme members currently have in relation to the defined benefit element of the scheme
- It was suggested that the introduction of banded contribution rates for those on lower incomes would be more progressive and could make the scheme more affordable for those on lower incomes
- There were different views on the priority that should be given to the different elements of the proposal to address the scheme deficit and whether individuals would be willing to pay increased contributions to maintain benefits.
- The need for a governance review of USS was also raised.

In addition to the points raised above that were discussed with the Trade Unions, UCU representatives asked that consideration be given to additional covenant support from employers to allow more time to consider alternative ways of addressing the scheme deficit.

The University has held a consistent view on future pension provision

- We want the best possible pension provision for our staff within an appropriate resource envelope for both employers and individuals;
- We wish to retain a meaningful Defined Benefit element within USS;
- We view pension provision as a key element of our staff benefits, rather than purely a cost and we are prepared to pay more for that if the benefits to our staff justify the additional cost, and;
- This has to be balanced with affordability for individual staff members and the University.

The University note the concerns that staff and the Trade Unions have raised regarding the inflationary cap of 2.5% and the implications that this could have for pension benefits for staff in the future.

The University is willing to consider other proposals that would address the scheme deficit, whilst recognising the tight timescales for a decision to be made to avoid the fallback position.

The University supports the national commitment of both Universities UK and UCU to work jointly to progress a major governance review of USS, explore future options for scheme design, including the possibility of a lower-cost option so staff on lower salaries are not priced out of retirement saving by high contribution rates. The University would strongly encourage all parties to engage constructively in these discussions.