

UUK / TPR Email Exchange 7 December 2017 – Information for USS employers

From: [REDACTED] [mailto:[REDACTED]@tpr.gov.uk]
Sent: 07 December 2017 12:59
To: [REDACTED] <[REDACTED]@universitiesuk.ac.uk>
Cc: [REDACTED]@tpr.gov.uk; [REDACTED]
<[REDACTED]@universitiesuk.ac.uk>; [REDACTED] <[REDACTED]@tpr.gov.uk>
Subject: RE: USS - Latest Activity

Dear [REDACTED],

Thank you for your email.

Statutory Valuation Deadline

In our meeting with [REDACTED] and [REDACTED] of UCU on 5 December 2017, we stated that TPR cannot waive the requirement under the Part 3, Scheme Funding requirements of the 2004 Act to submit the valuation by the statutory deadline, nor do we have the power to extend the deadline. We also confirmed that this was a hard deadline set out in legislation which we expected trustees to adhere to.

While we acknowledged that there would need to be a 60-day employer consultation on any benefit changes and, furthermore that the USS Executive would need to complete the necessary modelling to assess the impact of any such changes, we highlighted that the requirement to manage the timeline to meet the statutory submission deadline was a responsibility of the Trustee. Accordingly, we confirmed that we expected the 30 June 2018 deadline to be adhered to.

You will note that TPR is taking a firmer stance on late valuations this year. This was highlighted in our 2017 Annual Funding Statement, when we stated: "Looking at 2017 valuation submissions, in particular we will be focusing on fair treatment of schemes and late valuations". <http://www.thepensionsregulator.gov.uk/docs/db-annual-funding-statement-2017.pdf>

18 December 2017 deadline

We were also asked about the revised 18 December 2017 deadline for the JNC's negotiations. We explained that the process for the JNC is an internal one for the JNC and one to be run by Sir Andrew Cubie. It is not within TPR's remit to comment or influence that process.

2014 Valuation Submission

For reference, I've reviewed the submission of the 2014 Valuation. The statutory deadline was 30 June 2015 and the valuation papers were signed by the Trustee and certified by the Scheme Actuary on 24 July 2015. I understand that agreement on the 2014 Valuation was actually reached before the statutory deadline and the slight delay was so that all the valuation documents (including the Statement of Funding Principles and Statement of Investment Principles) could receive the final sign off from the necessary people. The Pensions Regulator decided not to take any action at that stage due to those particular circumstances.

Finally, while we expect trustees to adhere to the statutory deadlines and reserve the right to take action if those deadlines are not met, we are mindful that in complex and late stage

negotiations some slippage in timelines can lead to better outcomes. However, in all such instances, we would expect to be kept fully informed by the trustees of the reasons for any expected delay and also the expected benefits of any such delay. We also expect any such delay would be kept to a minimum. Furthermore, in any such instances where we felt the delay was not warranted, we would consider what actions to take against the trustees.

We're all at our Annual Staff conference this afternoon but if there is something urgent, please give me a call on my mobile. I'll get back to you as soon as I can.

Kind regards,

██████████
Senior Case Manager
Case Management | Frontline Regulation Directorate
Direct dial: ██████████

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From: ██████████ [mailto:██████████@universitiesuk.ac.uk]
Sent: 06 December 2017 20:02
To: ██████████; ██████████
Cc: ██████████
Subject: USS - Latest Activity

Dear ██████████ and colleagues

Many thanks for your time earlier ██████████. As mentioned UCU have today written to Vice-Chancellors (in confidence a copy is attached).

Reference is made to a view from tPR regarding the timetable:

First, while I recognise that there are some statutory considerations, I have asked that USS come up with a revised timetable which recognises the sensitive stage of negotiations and allows time for further talks. My understanding, following a meeting with the Pensions Regulator (tPR), is that this is possible.

UUK will prepare a note for employers to address this and issue it tomorrow. I expect we will indicate that our understanding from discussions with all parties including TPR is that the

statutory timetable remains in place and that UUK are continuing to meet the timetable set by the trustee to achieve that statutory timetable.

I am keen to ensure that all views are correctly represented in any comms we put forward. Do let me know if you have any comments on the above.

With best wishes



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