



THE LONDON SCHOOL  
OF ECONOMICS AND  
POLITICAL SCIENCE ■

## USS 2014 Valuation

*This message has particular relevance to staff who are members of the University Superannuation Scheme or eligible to join the scheme.*

Dear colleagues,

The Universities Superannuation Scheme (USS) is currently working on its 2014 triennial valuation. This is an activity that all pension schemes must carry out every three years, and is an estimate of the position of the scheme.

It is anticipated that trustees of the scheme will report a substantial deficit. As such, discussions are taking place with the scheme's stakeholders, represented by Universities UK (UUK), as the representative body of scheme employers, and the University and College Union (UCU), as the representative body of scheme members, about the nature of the responses required to address the current funding challenges. LSE has taken an active part in contributing thoughts and views for consideration to both USS and UUK.

As part of this dialogue at a national level, UCU has requested that institutions provide assurance that they will collectively amend contracts of employment to protect members' pension benefits. While it has not been possible to agree to this request, not least because of the multi-employer nature of the scheme, it should be noted that **any existing pension benefit accrued is protected in law** and backed financially by employers across the higher education sector on a 'last man standing basis'.

UCU has now notified LSE, and over 60 other higher education institutions, that they believe failure to commit to their request forms the subject of a trade dispute between institutions and their members. As such, UCU intends to ballot its members in regard to further action, with papers being distributed this month.

LSE believes that, as national discussions are still ongoing and valuation results have not yet been circulated, it is premature to ballot members. LSE also notes that, UCU, as a member representative at USS, formally has the opportunity of providing input to any considerations that may be occurring at USS Head Office.

Should USS consider opting for a change to contributions, or how pension is built up, a formal pension consultation will have to take place where all members will be able to express their views at an individual level. Any changes to USS would have to ensure that pension benefits that members have already built up will be protected.

Staff will be aware that in recent years many pension schemes have had to increase member and employer contributions and adjust benefits downwards, at least for future service or new joiners: USS will be obligated to consider these options. In the light of recently announced changes to pension legislation there is also the possibility that any changes might allow for greater flexibility for scheme members at retirement.

USS has prepared a [document summarising its approach to scheme funding](#) on an on-going basis. In addition, a frequently asked questions webpage is available [here](#).

Once the School has useful further information on this issue we will ensure it is shared with you. Whatever happens, we will provide a further update before the end of term. The School fully understands that possible changes to pension contributions or benefits will be of significant concern to all members of USS at LSE.

The School's senior management are keen to hear the views of colleagues and to ensure that they are conveyed to UUK and USS when they publish their specific proposals.

**Professor Stuart Corbridge**  
**Provost and Deputy Director**

**Indi Seehra**  
**Director of Human Resources**

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