



This message has particular relevance to staff who are members of the University Superannuation Scheme (USS), or who are eligible to join.

Dear Colleague,

We have received additional information regarding the valuation process occurring at USS which we would like to share with all staff. We fully appreciate the desire for open and transparent communication on such an important matter and we hope that this information will assist you in providing feedback for the ongoing national discussions.

A three-yearly valuation process of the USS scheme is expected to reveal a projected deficit of around £8 billion. Due to the volatility of the deficit, reforms will need to be made to the USS pension scheme to ensure it remains affordable and attractive to all members.

Changes to any pension scheme are complicated and highly regulated. And USS is particularly complex due to its size and the number of stakeholders involved. It is therefore highly unlikely that any changes could be implemented before April 2016 at the earliest.

Any alteration to the benefits structure would require a consultation with every scheme member as well as institutions and member representatives such as the University and College Union (UCU). Existing benefits that have accrued to date will be legally protected.

The first stage of a process towards change is for a set of proposals to be decided upon by the Joint Negotiating Committee at USS. These will be presented on 22 October 2014.

These proposals suggest closing the final salary section of the scheme entirely and moving staff into the Career Revalued Benefit (CRB) arrangement to take effect from the date of change.

The amount of defined benefits that could be built under this CRB arrangement would be limited to salaries capped at £50,000, with defined contribution arrangements being made available above this cap.

Past service benefits for current members of the final salary section will be based on final pensionable salary at the date the reforms come into effect.

Full details of this hybrid arrangement can be found [here](#).

UCU, as the member's representative, have an opportunity to submit their proposals for reform in this process or comment upon any Universities UK (UUK) proposal.

LSE is in the process of setting up an intranet page to provide more detailed information about the proposal as well as FAQs and other documentation. As soon as this is online we will inform all staff.

In the meantime, we would like to reiterate that the School's senior management remains keen to hear the views of colleagues and to ensure they are conveyed to UUK and USS. Please send your comments to hr.pensions@lse.ac.uk.

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