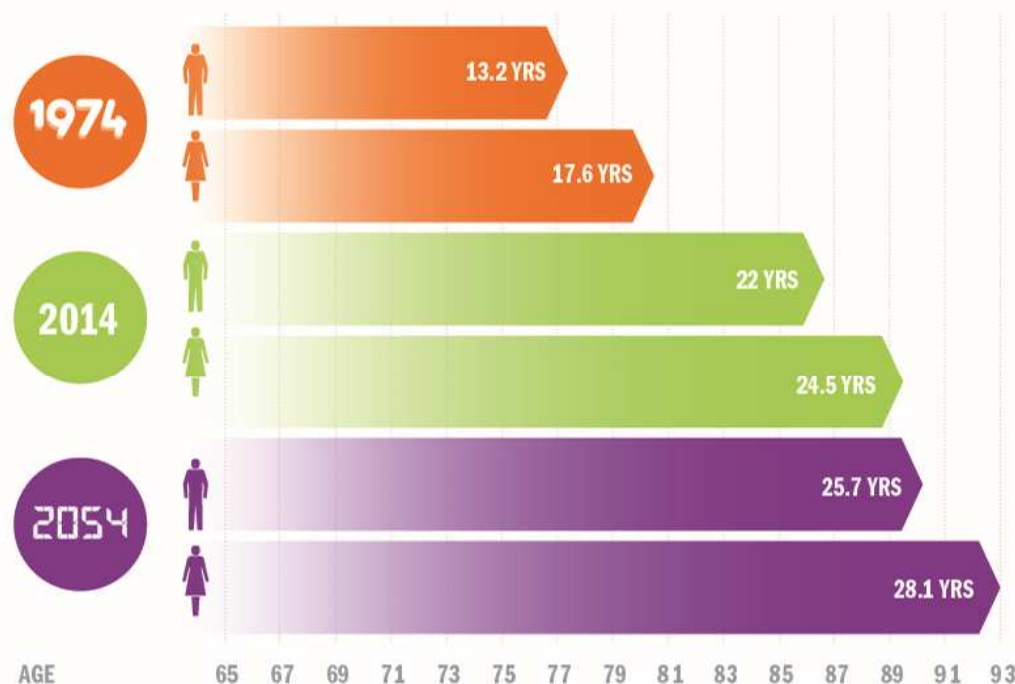


The rising costs of HE pensions

Improving longevity

ESTIMATES OF LIFE EXPECTANCY AT AGE 65 IN THE UK

Cohort life expectancies are calculated using age-specific mortality rates which allow for known or projected changes in mortality in later years.



Source: Department for Work & Pensions Cohort Estimates of Life Expectancy at Age 65

DAILY INCREASE IN LIFE EXPECTANCY IN THE UK

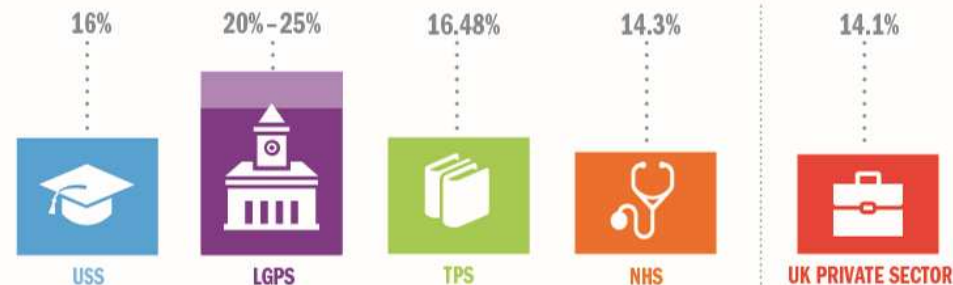
The most common age at death was 86 for men and 89 for women in 2011–2013. Since 1980–1982 life expectancy at birth has increased by 6.3 hours per day for men and by 4.6 hours per day for women in the UK.



Source: Office for National Statistics

Employer contributions to defined benefit pensions

EXAMPLE EMPLOYER CONTRIBUTIONS IN DEFINED BENEFIT PENSIONS SCHEMES IN 2015



The employer contribution is expressed as a percentage based on individuals' pay. For the LGPS, NHS and TPS the percentage contribution rates are for schemes in England and Wales. USS Universities Superannuation Scheme offered mainly to academic and academic related staff by over 300 UK HE employers.

LGPS Local Government Pension Scheme offered mainly to support staff in post-92 HE institutions, though some pre-92s do offer it. Employer contribution rates vary across 89 separate LGPS funds, from 2014–15 half of the funds have contribution rates between 20% and 25%.

TPS Teachers' Pension Scheme offered to academic staff in post-92 HE institutions. **NHS** National Health Service Scheme offered to clinical academic staff mainly in pre-92 HE institutions. **UK PRIVATE SECTOR** average contribution rates to defined benefit private sector occupational pension schemes that remain open to new members.

Source: Office for National Statistics and Aon Hewitt

Average pensions costs in a large research intensive HE institution

OUT OF EVERY £100



Pensions costs for all staff as a percentage of the average total expenditure for Russell Group institutions is 6.8%

Source: 31 July 2013 accounts of 24 Russell Group Institutions



The average annual total pensions expenditure for a Russell Group institution