

## JNC Enhanced Report 23 September 2020

### Attendees

Committee members	Observers <sup>1**</sup>
Ms Judith Fish (Chair)	Dr Justine Mercer, UCU Vice President (observer)
Phil Harding (UUK)	Aaron Punwani (Scheme Actuary)
Cliff Vidgeon (UUK)	Andrew Brown, UCU Trustee Director (observer)*
Stuart McLean (UUK)	Professor Sir Anton Muscatelli, UUK Trustee Director (observer)*
Anthony Odgers (UUK)	Gary Dixon, UUK Trustee Director(observer)*
Carol Costello (UUK)**	
Dr Adam Ozanne (UCU)	
Dr Sam Marsh (UCU)	
Dr Deepa Driver (UCU)	
Christine Haswell (UCU)	
Dr Marion Hersh (UCU)	

\*Attended at the request of the JNC \*\* Attended as an alternate on behalf of John Neilson

### Meeting governance

- The attendees resolved to approve the minutes of the meeting on 5 August 2020;
- The group agreed to hold a training session on the [TPR DB funding Code](#) after its finalisation in 2021;
- The chair agreed to a discussion outside of the meeting with a UCU representative to explore the possibility of them providing an overview of UCU governance for attendees.

### Stakeholder updates

#### UCU

The UCU attendees reported the [election of the new UCU Vice President, Dr Justine Mercer](#), who also attended the meeting as an observer.

They explained that new Vice President will decide who will lead the UCU JNC negotiators after the UCU Superannuation Working Group elections, due to take place at the UCU Congress at the end of October.

The UCU attendees also noted the [appointment of Helen Shay to the Trustee Board](#) and advised that the process to appoint a replacement director to the Trustee Board in place of Dr Steve Wharton is ongoing.

They explained that there is much discussion within UCU about the USS Technical Provisions consultation. The UCU General Secretary is encouraging branches to get in touch with their Vice-Chancellors and Senior Management Teams to develop further dialogue around it.

The UCU attendees also briefed the JNC on the decision making processes within UCU to agree UCU's mandate on the 2020 Valuation. They explained that the motions carried at the annual UCU Congress at the end of October will help determine the UCU stance, and the UCU Higher Education Committee will be responsible for setting the negotiating team's objectives. They noted that UCU branches recognised the

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<sup>1</sup> Members of USS's executive team also attended to respond to questions from the JNC and in their capacity as secretary to the committee.

importance of engaging with USS members who are not UCU members and that this is an issue that UCU takes seriously.

## UUK

The UUK attendees offered congratulations to the new UCU Vice President.

They noted that UUK is focussing on supporting USS employers in responding to Technical Provisions consultation. They explained that it is a complex document with a wide range of outcomes and that they are helping USS employers to engage with it and craft helpful and constructive responses. They noted that the work of UCU to encourage member engagement is very worthwhile and are encouraging USS employers to continue and expand on dialogue with members.

They noted the [imminent publication of supporting material from Aon](#) together with the ongoing discussion on the covenant protection measures. They also highlighted their direct engagement with employers and sector groups.

The UUK attendees briefed the group on UUK's decision making processes to agree the UUK mandate on the 2020 Valuation. They explained that their mandate would be established through consultation with all USS employers, whether UUK members or not. They noted that the Employer Pensions Forum would also be a useful forum for providing sector input.

They noted that once the Technical Provisions consultation is complete, a formal price of benefits has been established and a decision made on how the deficit will be funded, a further consultation by UUK with employers to shape UUK's next steps will be needed.

A UCU attendee asked that UUK remind employers of the primary responsibilities of UCU as the formal representative of members in respect of USS. UUK confirmed they could do this, but also noted that employers may also choose to engage and/or consult with staff more broadly.

The JNC chair emphasised that each of the stakeholders need to assimilate the views of their membership via their formal processes and be ready to engage fully at each stage of the process for the 2020 Valuation. UCU noted they would review the JNC meeting dates to check they align with UCU democratic processes.

## 2020 Valuation

### Update from the Trustee

The Trustee representatives congratulated the UCU Vice President on their appointment. The Trustee gave a general update on a number of matters including member communications – covering the launch of the 2020 Annual Member Statement, improvements to functionality of the USS website and 'My USS' and noted [a new series of member webinars](#).

The Trustee noted recent appointments to the Trustee Board, and also provided an update the launch of the Technical Provisions consultation and the 2020 Valuation timetable. They noted that discussions on the 2020 Valuation would be particularly complicated on account of the numerous moving parts combined with a difficult economic backdrop and that the Trustee will make great efforts to engage with employers and members to help ensure understanding of the issues.

### Update from the Scheme Actuary

The Scheme Actuary attended the meeting to provide a briefing to the JNC on the actuarial inputs to the Technical Provisions consultation document and to answer JNC members' questions on the Technical Provisions consultation. A number of topics were covered, including:

- The dual discount rate methodology;
- Demographic and mortality assumptions;

- Market conditions;
- The appropriateness of the timing of the 2020 Valuation;
- The Trustee risk management framework;
- Prudence and discount rates.

There was insufficient time for all JNC members' questions to be responded to at the meeting, so a further discussion between the Scheme Actuary and the JNC was arranged for 16 October.

### Financial Management Plan update

- The JNC noted the FMP monitoring position, based on the 2018 valuation monitoring methodology, as at 31 August 2020;
- The Trustee agreed to provide some underlying calculations to the JNC following a request from a UUK attendee.

### Additional matters covered at the meeting

A number of additional matters were discussed at the meeting:

- The JNC considered the draft annual plan for the remainder of the 2020/21 financial year;
- The stakeholders asked to have the opportunity for further discussion with the Scheme Actuary, the JNC Chair took this away as an action;
- The JNC noted the update on the member participation and insight activities the Trustee was planning during the second half of 2020/21;
- The JNC noted the Trustee's response to TPR's consultation on its proposed defined benefit funding code of practice;
- An update on the ongoing work of the JNC Effectiveness Group;
- An analysis of member data including in data opt out or withdrawals from USS and the reasons behind this. The JNC ran out of time to discuss this update in detail and it will be considered by the JNC at a future meeting;
- The accessibility of digital communications issued by the Trustee;
- The minutes and actions from previous meetings.

